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Form **990**Department of the Treasury  
Internal Revenue Service**Return of Organization Exempt From Income Tax**

Under section 501(c), 527, or 4947(a)(1) of the Internal Revenue Code (except black lung benefit trust or private foundation)

▶ The organization may have to use a copy of this return to satisfy state reporting requirements.

OMB No 1545-0047

**2011**Open to Public  
Inspection**A** For the 2011 calendar year, or tax year beginning

and ending

**B** Check if applicable

- ☐ Address change  
☒ Name change  
☐ Initial return  
☐ Terminated  
☐ Amended return  
☐ Application pending

**C** Name of organizationTHE BETHANY CIRCLE OF KING'S DAUGHTERS'  
OF MADISON, INDIANA, INC.

Doing Business As THE KING'S DAUGHTERS' HOSPITAL

Number and street (or P.O. box if mail is not delivered to street address)

ONE KING'S DAUGHTERS' DRIVE

Room/suite

City or town, state or country, and ZIP + 4

MADISON, IN 47250

**F** Name and address of principal officer: STEVE MEACHAM  
SAME AS C ABOVE**D** Employer identification number

35-0895832

**E** Telephone number

(812) 265-5211

**G** Gross receipts \$

202,205,005.

**H(a)** Is this a group return

for affiliates?

☐ Yes☒ No**H(b)** Are all affiliates included?☐ Yes☐ No

If "No," attach a list (see instructions)

**H(c)** Group exemption number ▶**I** Tax-exempt status: ☒ 501(c)(3) ☐ 501(c) ( ) (insert no.) ☐ 4947(a)(1) or ☐ 527**J** Website: WWW.KDHHS.ORG**K** Form of organization: ☒ Corporation ☐ Trust ☐ Association ☐ Other ▶**L** Year of formation: 1899 **M** State of legal domicile: IN**Part I Summary**

Activities & Governance	1	Briefly describe the organization's mission or most significant activities: THE MISSION OF THE HOSPITAL IS TO IMPROVE THE HEALTH OF THE HOSPITAL'S PATIENTS THROUGH CARE,		
	2	Check this box <input type="checkbox"/> if the organization discontinued its operations or disposed of more than 25% of its net assets		
	3	Number of voting members of the governing body (Part VI, line 1a)	3	11
	4	Number of independent voting members of the governing body (Part VI, line 1b)	4	9
	5	Total number of individuals employed in calendar year 2011 (Part V, line 2a)	5	1041
	6	Total number of volunteers (estimate if necessary)	6	95
	7a	Total unrelated business revenue from Part VIII, column (C), line 12	7a	58,777.
7b	Net unrelated business taxable income from Form 990-T, line 34	7b	<1,071.>	
Revenue	8	Contributions and grants (Part VIII, line 1h)	Prior Year	Current Year
	9	Program service revenue (Part VIII, line 2g)	111,292.	77,604.
	10	Investment income (Part VIII, column (A), lines 3-4, and 7d)	111,975,580.	109,149,858.
	11	Other revenue (Part VIII, column (A), lines 5, 6d, 8c, 9c, 10c, and 11e)	1,926,894.	5,387,494.
	12	Total revenue - add lines 8 through 11 (must equal Part VIII, column (A), line 12)	383,135.	437,378.
Expenses	13	Grants and similar amounts paid (Part IX, column (A), lines 1-3)	114,396,901.	115,052,334.
	14	Benefits paid to or for members (Part IX, column (A), line 4)	90,566.	71,556.
	15	Salaries, other compensation, employee benefits (Part IX, column (A), lines 5-10)	0.	0.
	16a	Professional fundraising fees (Part IX, column (A), line 11e)	61,651,819.	60,450,134.
	16b	Total fundraising expenses (Part IX, column (D), line 25) ▶ 0.	0.	0.
	17	Other expenses (Part IX, column (A), lines 11a-11d, 11f-24e)	45,965,238.	46,550,821.
	18	Total expenses. Add lines 13-17 (must equal Part IX, column (A), line 25)	107,707,623.	107,072,511.
Net Assets or Fund Balances	19	Revenue less expenses Subtract line 18 from line 12	6,689,278.	7,979,823.
	20	Total assets (Part X, line 16)	Beginning of Current Year	End of Year
	21	Total liabilities (Part X, line 26)	222,731,294.	229,029,066.
	22	Net assets or fund balances. Subtract line 21 from line 20	108,562,005.	114,312,729.
			114,169,289.	114,716,337.

**Part II Signature Block**

Under penalties of perjury, I declare that I have examined this return, including accompanying schedules and statements, and to the best of my knowledge and belief, it is true, correct, and complete. Declaration of preparer (other than officer) is based on all information of which preparer has any knowledge.

Sign Here	Signature of officer	Date
	STEVE MEACHAM, VP OF FINANCE	10-10-12
Paid Preparer Use Only	Print/Type preparer's name	Preparer's signature
	CARRIE A. MERRILL, CPA	Carrie A. Merrill, CPA
	Firm's name	Firm's EIN
	BLUE & CO., LLC	35-1178661
	Firm's address	Phone no.
	2650 EASTPOINT PKY LOUISVILLE, KY 40223	(502) 992-3500

May the IRS discuss this return with the preparer shown above? (see instructions)

☒ Yes ☐ No

132001 01-23-12 LHA For Paperwork Reduction Act Notice, see the separate instructions.

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SEE SCHEDULE O FOR ORGANIZATION MISSION STATEMENT CONTINUATION

SCANNED NOV 01 2012

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THE BETHANY CIRCLE OF KING'S DAUGHTERS'  
OF MADISON, INDIANA, INC.

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**Part III** Statement of Program Service Accomplishments

Check if Schedule O contains a response to any question in this Part III ☐

1 Briefly describe the organization's mission:

THE MISSION OF THE HOSPITAL IS TO IMPROVE THE HEALTH OF THE HOSPITAL'S PATIENTS THROUGH CARE, SERVICE, AND EDUCATION.

2 Did the organization undertake any significant program services during the year which were not listed on the prior Form 990 or 990-EZ? ☐ Yes ☒ No

If "Yes," describe these new services on Schedule O

3 Did the organization cease conducting, or make significant changes in how it conducts, any program services? ☐ Yes ☒ No

If "Yes," describe these changes on Schedule O

4 Describe the organization's program service accomplishments for each of its three largest program services, as measured by expenses. Section 501(c)(3) and 501(c)(4) organizations and section 4947(a)(1) trusts are required to report the amount of grants and allocations to others, the total expenses, and revenue, if any, for each program service reported.

4a (Code ) (Expenses \$ 91,842,241. including grants of \$ 71,556. ) (Revenue \$ 109,201,780. )  
THE KING'S DAUGHTERS' HOSPITAL AND HEALTH SERVICES IS A NOT-FOR-PROFIT, ACUTE CARE HOSPITAL OWNED BY THE BETHANY CIRCLE OF KING'S DAUGHTERS' OF MADISON, INDIANA, INC., LOCATED IN MADISON, INDIANA. THE HOSPITAL IS ORGANIZED FOR THE PURPOSE OF PROVIDING HEALTHCARE SERVICES TO THE RESIDENTS OF JEFFERSON COUNTY AND THE SURROUNDING AREA. DURING CALENDAR YEAR 2011, THE HOSPITAL PROVIDED HEALTHCARE TO PATIENTS AT THE FOLLOWING LEVELS:  
11,681 DAYS OF CARE TO ACUTE INPATIENTS  
795 DAYS OF CARE TO NEWBORN INFANTS  
160,066 VISITS ASSOCIATED WITH HOSPITAL OUTPATIENTS  
139,337 VISITS ASSOCIATED WITH PHYSICIAN CLINICS

4b (Code ) (Expenses \$ 3,376,187. including grants of \$ ) (Revenue \$ )  
THE HOSPITAL'S PRIMARY SOURCES OF SUPPORT ARE FROM PATIENT REVENUES. PATIENT REVENUES INCLUDE FUNDS RECEIVED FROM MEDICARE, STATE AGENCIES, INSURANCE COMPANIES, AND THE PATIENTS THEMSELVES. IN 2011, THE KING'S DAUGHTERS' HOSPITAL AND HEALTH SERVICES PROVIDED \$3,376,187 IN GROSS CHARGES TO PATIENTS WHO MET THE HOSPITAL'S CHARITY CARE POLICY.

4c (Code ) (Expenses \$ including grants of \$ ) (Revenue \$ )

4d Other program services (Describe in Schedule O.)

(Expenses \$ including grants of \$ ) (Revenue \$ )

4e Total program service expenses 95,218,428.

**THE BETHANY CIRCLE OF KING'S DAUGHTERS'  
OF MADISON, INDIANA, INC.**

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**Part IV Checklist of Required Schedules**

	Yes	No
<b>1</b> Is the organization described in section 501(c)(3) or 4947(a)(1) (other than a private foundation)? <i>If "Yes," complete Schedule A</i>	<b>1</b> X	
<b>2</b> Is the organization required to complete <i>Schedule B, Schedule of Contributors</i> ?	<b>2</b> X	
<b>3</b> Did the organization engage in direct or indirect political campaign activities on behalf of or in opposition to candidates for public office? <i>If "Yes," complete Schedule C, Part I</i>		<b>3</b> X
<b>4</b> <b>Section 501(c)(3) organizations.</b> Did the organization engage in lobbying activities, or have a section 501(h) election in effect during the tax year? <i>If "Yes," complete Schedule C, Part II</i>	<b>4</b> X	
<b>5</b> Is the organization a section 501(c)(4), 501(c)(5), or 501(c)(6) organization that receives membership dues, assessments, or similar amounts as defined in Revenue Procedure 98-19? <i>If "Yes," complete Schedule C, Part III</i>		<b>5</b> X
<b>6</b> Did the organization maintain any donor advised funds or any similar funds or accounts for which donors have the right to provide advice on the distribution or investment of amounts in such funds or accounts? <i>If "Yes," complete Schedule D, Part I</i>		<b>6</b> X
<b>7</b> Did the organization receive or hold a conservation easement, including easements to preserve open space, the environment, historic land areas, or historic structures? <i>If "Yes," complete Schedule D, Part II</i>		<b>7</b> X
<b>8</b> Did the organization maintain collections of works of art, historical treasures, or other similar assets? <i>If "Yes," complete Schedule D, Part III</i>		<b>8</b> X
<b>9</b> Did the organization report an amount in Part X, line 21; serve as a custodian for amounts not listed in Part X; or provide credit counseling, debt management, credit repair, or debt negotiation services? <i>If "Yes," complete Schedule D, Part IV</i>		<b>9</b> X
<b>10</b> Did the organization, directly or through a related organization, hold assets in temporarily restricted endowments, permanent endowments, or quasi-endowments? <i>If "Yes," complete Schedule D, Part V</i>	<b>10</b> X	
<b>11</b> If the organization's answer to any of the following questions is "Yes," then complete Schedule D, Parts VI, VII, VIII, IX, or X as applicable		
<b>a</b> Did the organization report an amount for land, buildings, and equipment in Part X, line 10? <i>If "Yes," complete Schedule D, Part VI</i>	<b>11a</b> X	
<b>b</b> Did the organization report an amount for investments - other securities in Part X, line 12 that is 5% or more of its total assets reported in Part X, line 16? <i>If "Yes," complete Schedule D, Part VII</i>		<b>11b</b> X
<b>c</b> Did the organization report an amount for investments - program related in Part X, line 13 that is 5% or more of its total assets reported in Part X, line 16? <i>If "Yes," complete Schedule D, Part VIII</i>		<b>11c</b> X
<b>d</b> Did the organization report an amount for other assets in Part X, line 15 that is 5% or more of its total assets reported in Part X, line 16? <i>If "Yes," complete Schedule D, Part IX</i>		<b>11d</b> X
<b>e</b> Did the organization report an amount for other liabilities in Part X, line 25? <i>If "Yes," complete Schedule D, Part X</i>	<b>11e</b> X	
<b>f</b> Did the organization's separate or consolidated financial statements for the tax year include a footnote that addresses the organization's liability for uncertain tax positions under FIN 48 (ASC 740)? <i>If "Yes," complete Schedule D, Part X</i>	<b>11f</b> X	
<b>12a</b> Did the organization obtain separate, independent audited financial statements for the tax year? <i>If "Yes," complete Schedule D, Parts XI, XII, and XIII</i>		<b>12a</b> X
<b>b</b> Was the organization included in consolidated, independent audited financial statements for the tax year? <i>If "Yes," and if the organization answered "No" to line 12a, then completing Schedule D, Parts XI, XII, and XIII is optional</i>	<b>12b</b> X	
<b>13</b> Is the organization a school described in section 170(b)(1)(A)(ii)? <i>If "Yes," complete Schedule E</i>		<b>13</b> X
<b>14a</b> Did the organization maintain an office, employees, or agents outside of the United States?		<b>14a</b> X
<b>b</b> Did the organization have aggregate revenues or expenses of more than \$10,000 from grantmaking, fundraising, business, investment, and program service activities outside the United States, or aggregate foreign investments valued at \$100,000 or more? <i>If "Yes," complete Schedule F, Parts I and IV</i>		<b>14b</b> X
<b>15</b> Did the organization report on Part IX, column (A), line 3, more than \$5,000 of grants or assistance to any organization or entity located outside the United States? <i>If "Yes," complete Schedule F, Parts II and IV</i>		<b>15</b> X
<b>16</b> Did the organization report on Part IX, column (A), line 3, more than \$5,000 of aggregate grants or assistance to individuals located outside the United States? <i>If "Yes," complete Schedule F, Parts III and IV</i>		<b>16</b> X
<b>17</b> Did the organization report a total of more than \$15,000 of expenses for professional fundraising services on Part IX, column (A), lines 6 and 11e? <i>If "Yes," complete Schedule G, Part I</i>		<b>17</b> X
<b>18</b> Did the organization report more than \$15,000 total of fundraising event gross income and contributions on Part VIII, lines 1c and 8a? <i>If "Yes," complete Schedule G, Part II</i>		<b>18</b> X
<b>19</b> Did the organization report more than \$15,000 of gross income from gaming activities on Part VIII, line 9a? <i>If "Yes," complete Schedule G, Part III</i>		<b>19</b> X
<b>20a</b> Did the organization operate one or more hospital facilities? <i>If "Yes," complete Schedule H</i>	<b>20a</b> X	
<b>b</b> If "Yes" to line 20a, did the organization attach a copy of its audited financial statements to this return?	<b>20b</b> X	

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OF MADISON, INDIANA, INC.**

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**Part IV Checklist of Required Schedules** (continued)

	Yes	No
<b>21</b> Did the organization report more than \$5,000 of grants and other assistance to any government or organization in the United States on Part IX, column (A), line 1? <i>If "Yes," complete Schedule I, Parts I and II</i>	<b>X</b>	
<b>22</b> Did the organization report more than \$5,000 of grants and other assistance to individuals in the United States on Part IX, column (A), line 2? <i>If "Yes," complete Schedule I, Parts I and III</i>		<b>X</b>
<b>23</b> Did the organization answer "Yes" to Part VII, Section A, line 3, 4, or 5 about compensation of the organization's current and former officers, directors, trustees, key employees, and highest compensated employees? <i>If "Yes," complete Schedule J</i>	<b>X</b>	
<b>24a</b> Did the organization have a tax-exempt bond issue with an outstanding principal amount of more than \$100,000 as of the last day of the year, that was issued after December 31, 2002? <i>If "Yes," answer lines 24b through 24d and complete Schedule K. If "No," go to line 25</i>	<b>X</b>	
<b>24b</b> Did the organization invest any proceeds of tax-exempt bonds beyond a temporary period exception?		<b>X</b>
<b>24c</b> Did the organization maintain an escrow account other than a refunding escrow at any time during the year to defease any tax-exempt bonds?		<b>X</b>
<b>24d</b> Did the organization act as an "on behalf of" issuer for bonds outstanding at any time during the year?		<b>X</b>
<b>25a</b> <b>Section 501(c)(3) and 501(c)(4) organizations.</b> Did the organization engage in an excess benefit transaction with a disqualified person during the year? <i>If "Yes," complete Schedule L, Part I</i>		<b>X</b>
<b>25b</b> Is the organization aware that it engaged in an excess benefit transaction with a disqualified person in a prior year, and that the transaction has not been reported on any of the organization's prior Forms 990 or 990-EZ? <i>If "Yes," complete Schedule L, Part I</i>		<b>X</b>
<b>26</b> Was a loan to or by a current or former officer, director, trustee, key employee, highly compensated employee, or disqualified person outstanding as of the end of the organization's tax year? <i>If "Yes," complete Schedule L, Part II</i>	<b>X</b>	
<b>27</b> Did the organization provide a grant or other assistance to an officer, director, trustee, key employee, substantial contributor or employee thereof, a grant selection committee member, or to a 35% controlled entity or family member of any of these persons? <i>If "Yes," complete Schedule L, Part III</i>		<b>X</b>
<b>28</b> Was the organization a party to a business transaction with one of the following parties (see Schedule L, Part IV instructions for applicable filing thresholds, conditions, and exceptions):		
<b>28a</b> A current or former officer, director, trustee, or key employee? <i>If "Yes," complete Schedule L, Part IV</i>		<b>X</b>
<b>28b</b> A family member of a current or former officer, director, trustee, or key employee? <i>If "Yes," complete Schedule L, Part IV</i>		<b>X</b>
<b>28c</b> An entity of which a current or former officer, director, trustee, or key employee (or a family member thereof) was an officer, director, trustee, or direct or indirect owner? <i>If "Yes," complete Schedule L, Part IV</i>	<b>X</b>	
<b>29</b> Did the organization receive more than \$25,000 in non-cash contributions? <i>If "Yes," complete Schedule M</i>		<b>X</b>
<b>30</b> Did the organization receive contributions of art, historical treasures, or other similar assets, or qualified conservation contributions? <i>If "Yes," complete Schedule M</i>		<b>X</b>
<b>31</b> Did the organization liquidate, terminate, or dissolve and cease operations? <i>If "Yes," complete Schedule N, Part I</i>		<b>X</b>
<b>32</b> Did the organization sell, exchange, dispose of, or transfer more than 25% of its net assets? <i>If "Yes," complete Schedule N, Part II</i>		<b>X</b>
<b>33</b> Did the organization own 100% of an entity disregarded as separate from the organization under Regulations sections 301.7701-2 and 301.7701-3? <i>If "Yes," complete Schedule R, Part I</i>		<b>X</b>
<b>34</b> Was the organization related to any tax-exempt or taxable entity? <i>If "Yes," complete Schedule R, Parts II, III, IV, and V, line 1</i>	<b>X</b>	
<b>35a</b> Did the organization have a controlled entity within the meaning of section 512(b)(13)?		<b>X</b>
<b>35b</b> Did the organization receive any payment from or engage in any transaction with a controlled entity within the meaning of section 512(b)(13)? <i>If "Yes," complete Schedule R, Part V, line 2</i>		<b>X</b>
<b>36</b> <b>Section 501(c)(3) organizations.</b> Did the organization make any transfers to an exempt non-charitable related organization? <i>If "Yes," complete Schedule R, Part V, line 2</i>		<b>X</b>
<b>37</b> Did the organization conduct more than 5% of its activities through an entity that is not a related organization and that is treated as a partnership for federal income tax purposes? <i>If "Yes," complete Schedule R, Part VI</i>		<b>X</b>
<b>38</b> Did the organization complete Schedule O and provide explanations in Schedule O for Part VI, lines 11 and 19?	<b>X</b>	

**Note.** All Form 990 filers are required to complete Schedule O

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**Part V Statements Regarding Other IRS Filings and Tax Compliance**

Check if Schedule O contains a response to any question in this Part V ☐

		Yes	No
<b>1a</b>	Enter the number reported in Box 3 of Form 1096. Enter -0- if not applicable	99	
<b>1b</b>	Enter the number of Forms W-2G included in line 1a. Enter -0- if not applicable	0	
<b>1c</b>	Did the organization comply with backup withholding rules for reportable payments to vendors and reportable gaming (gambling) winnings to prize winners?	X	
<b>2a</b>	Enter the number of employees reported on Form W-3, Transmittal of Wage and Tax Statements, filed for the calendar year ending with or within the year covered by this return	1041	
<b>2b</b>	If at least one is reported on line 2a, did the organization file all required federal employment tax returns? <b>Note.</b> If the sum of lines 1a and 2a is greater than 250, you may be required to e-file (see instructions)	X	
<b>3a</b>	Did the organization have unrelated business gross income of \$1,000 or more during the year?	X	
<b>3b</b>	If "Yes," has it filed a Form 990-T for this year? If "No," provide an explanation in Schedule O	X	
<b>4a</b>	At any time during the calendar year, did the organization have an interest in, or a signature or other authority over, a financial account in a foreign country (such as a bank account, securities account, or other financial account)?		X
<b>4b</b>	If "Yes," enter the name of the foreign country: <u>See instructions for filing requirements for Form TD F 90-22.1, Report of Foreign Bank and Financial Accounts.</u>		
<b>5a</b>	Was the organization a party to a prohibited tax shelter transaction at any time during the tax year?		X
<b>5b</b>	Did any taxable party notify the organization that it was or is a party to a prohibited tax shelter transaction?		X
<b>5c</b>	If "Yes," to line 5a or 5b, did the organization file Form 8886-T?		
<b>6a</b>	Does the organization have annual gross receipts that are normally greater than \$100,000, and did the organization solicit any contributions that were not tax deductible?		X
<b>6b</b>	If "Yes," did the organization include with every solicitation an express statement that such contributions or gifts were not tax deductible?		
<b>7</b>	<b>Organizations that may receive deductible contributions under section 170(c).</b>		
<b>7a</b>	Did the organization receive a payment in excess of \$75 made partly as a contribution and partly for goods and services provided to the payor?	X	
<b>7b</b>	If "Yes," did the organization notify the donor of the value of the goods or services provided?	X	
<b>7c</b>	Did the organization sell, exchange, or otherwise dispose of tangible personal property for which it was required to file Form 8282?		X
<b>7d</b>	If "Yes," indicate the number of Forms 8282 filed during the year		
<b>7e</b>	Did the organization receive any funds, directly or indirectly, to pay premiums on a personal benefit contract?		X
<b>7f</b>	Did the organization, during the year, pay premiums, directly or indirectly, on a personal benefit contract?		X
<b>7g</b>	If the organization received a contribution of qualified intellectual property, did the organization file Form 8899 as required?		
<b>7h</b>	If the organization received a contribution of cars, boats, airplanes, or other vehicles, did the organization file a Form 1098-C?		
<b>8</b>	<b>Sponsoring organizations maintaining donor advised funds and section 509(a)(3) supporting organizations.</b> Did the supporting organization, or a donor advised fund maintained by a sponsoring organization, have excess business holdings at any time during the year?		X
<b>9</b>	<b>Sponsoring organizations maintaining donor advised funds.</b>		
<b>9a</b>	Did the organization make any taxable distributions under section 4966?		X
<b>9b</b>	Did the organization make a distribution to a donor, donor advisor, or related person?		X
<b>10</b>	<b>Section 501(c)(7) organizations.</b> Enter:		
<b>10a</b>	Initiation fees and capital contributions included on Part VIII, line 12		
<b>10b</b>	Gross receipts, included on Form 990, Part VIII, line 12, for public use of club facilities		
<b>11</b>	<b>Section 501(c)(12) organizations.</b> Enter:		
<b>11a</b>	Gross income from members or shareholders		
<b>11b</b>	Gross income from other sources (Do not net amounts due or paid to other sources against amounts due or received from them.)		
<b>12a</b>	<b>Section 4947(a)(1) non-exempt charitable trusts.</b> Is the organization filing Form 990 in lieu of Form 1041?		
<b>12b</b>	If "Yes," enter the amount of tax-exempt interest received or accrued during the year		
<b>13</b>	<b>Section 501(c)(29) qualified nonprofit health insurance issuers.</b>		
<b>13a</b>	Is the organization licensed to issue qualified health plans in more than one state? <b>Note.</b> See the instructions for additional information the organization must report on Schedule O.		
<b>13b</b>	Enter the amount of reserves the organization is required to maintain by the states in which the organization is licensed to issue qualified health plans		
<b>13c</b>	Enter the amount of reserves on hand		
<b>14a</b>	Did the organization receive any payments for indoor tanning services during the tax year?		X
<b>14b</b>	If "Yes," has it filed a Form 720 to report these payments? If "No," provide an explanation in Schedule O		

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**Part VI Governance, Management, and Disclosure** For each "Yes" response to lines 2 through 7b below, and for a "No" response to line 8a, 8b, or 10b below, describe the circumstances, processes, or changes in Schedule O. See instructions

Check if Schedule O contains a response to any question in this Part VI

☒ **X**

**Section A. Governing Body and Management**

	1a	1b	Yes	No
<b>1a</b> Enter the number of voting members of the governing body at the end of the tax year If there are material differences in voting rights among members of the governing body, or if the governing body delegated broad authority to an executive committee or similar committee, explain in Schedule O.	11			
<b>b</b> Enter the number of voting members included in line 1a, above, who are independent		9		
<b>2</b> Did any officer, director, trustee, or key employee have a family relationship or a business relationship with any other officer, director, trustee, or key employee?			<b>2</b>	<b>X</b>
<b>3</b> Did the organization delegate control over management duties customarily performed by or under the direct supervision of officers, directors, or trustees, or key employees to a management company or other person?			<b>3</b>	<b>X</b>
<b>4</b> Did the organization make any significant changes to its governing documents since the prior Form 990 was filed?			<b>4</b>	<b>X</b>
<b>5</b> Did the organization become aware during the year of a significant diversion of the organization's assets?			<b>5</b>	<b>X</b>
<b>6</b> Did the organization have members or stockholders?			<b>6</b>	<b>X</b>
<b>7a</b> Did the organization have members, stockholders, or other persons who had the power to elect or appoint one or more members of the governing body?			<b>7a</b>	<b>X</b>
<b>b</b> Are any governance decisions of the organization reserved to (or subject to approval by) members, stockholders, or persons other than the governing body?			<b>7b</b>	<b>X</b>
<b>8</b> Did the organization contemporaneously document the meetings held or written actions undertaken during the year by the following:				
<b>a</b> The governing body?			<b>8a</b>	<b>X</b>
<b>b</b> Each committee with authority to act on behalf of the governing body?			<b>8b</b>	<b>X</b>
<b>9</b> Is there any officer, director, trustee, or key employee listed in Part VII, Section A, who cannot be reached at the organization's mailing address? If "Yes," provide the names and addresses in Schedule O			<b>9</b>	<b>X</b>

**Section B. Policies** (This Section B requests information about policies not required by the Internal Revenue Code.)

	Yes	No
<b>10a</b> Did the organization have local chapters, branches, or affiliates?		<b>10a</b>
<b>b</b> If "Yes," did the organization have written policies and procedures governing the activities of such chapters, affiliates, and branches to ensure their operations are consistent with the organization's exempt purposes?		
<b>11a</b> Has the organization provided a complete copy of this Form 990 to all members of its governing body before filing the form?	<b>11a</b>	
<b>b</b> Describe in Schedule O the process, if any, used by the organization to review this Form 990.		
<b>12a</b> Did the organization have a written conflict of interest policy? If "No," go to line 13	<b>12a</b>	
<b>b</b> Were officers, directors, or trustees, and key employees required to disclose annually interests that could give rise to conflicts?	<b>12b</b>	
<b>c</b> Did the organization regularly and consistently monitor and enforce compliance with the policy? If "Yes," describe in Schedule O how this was done	<b>12c</b>	
<b>13</b> Did the organization have a written whistleblower policy?	<b>13</b>	
<b>14</b> Did the organization have a written document retention and destruction policy?	<b>14</b>	
<b>15</b> Did the process for determining compensation of the following persons include a review and approval by independent persons, comparability data, and contemporaneous substantiation of the deliberation and decision?		
<b>a</b> The organization's CEO, Executive Director, or top management official	<b>15a</b>	
<b>b</b> Other officers or key employees of the organization		<b>15b</b>
If "Yes" to line 15a or 15b, describe the process in Schedule O (see instructions).		
<b>16a</b> Did the organization invest in, contribute assets to, or participate in a joint venture or similar arrangement with a taxable entity during the year?		<b>16a</b>
<b>b</b> If "Yes," did the organization follow a written policy or procedure requiring the organization to evaluate its participation in joint venture arrangements under applicable federal tax law, and take steps to safeguard the organization's exempt status with respect to such arrangements?		
<b>16b</b>		

**Section C. Disclosure**

**17** List the states with which a copy of this Form 990 is required to be filed **IN**

**18** Section 6104 requires an organization to make its Forms 1023 (or 1024 if applicable), 990, and 990-T (Section 501(c)(3)s only) available for public inspection. Indicate how you made these available. Check all that apply  
☐ Own website ☐ Another's website ☒ Upon request

**19** Describe in Schedule O whether (and if so, how), the organization made its governing documents, conflict of interest policy, and financial statements available to the public during the tax year.

**20** State the name, physical address, and telephone number of the person who possesses the books and records of the organization: **DAWN NUNAN, DIRECTOR OF ACCOUNTING - (812) 265-0193**  
**ONE KING'S DAUGHTERS' DRIVE, MADISON, IN 47250**

**THE BETHANY CIRCLE OF KING'S DAUGHTERS'  
OF MADISON, INDIANA, INC.**

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**Part VII Compensation of Officers, Directors, Trustees, Key Employees, Highest Compensated Employees, and Independent Contractors**

Check if Schedule O contains a response to any question in this Part VII ☐

**Section A. Officers, Directors, Trustees, Key Employees, and Highest Compensated Employees**

**1a** Complete this table for all persons required to be listed. Report compensation for the calendar year ending with or within the organization's tax year.

- List all of the organization's **current** officers, directors, trustees (whether individuals or organizations), regardless of amount of compensation. Enter -0- in columns (D), (E), and (F) if no compensation was paid.
- List all of the organization's **current** key employees, if any. See instructions for definition of "key employee."
- List the organization's five **current** highest compensated employees (other than an officer, director, trustee, or key employee) who received reportable compensation (Box 5 of Form W-2 and/or Box 7 of Form 1099-MISC) of more than \$100,000 from the organization and any related organizations.
- List all of the organization's **former** officers, key employees, and highest compensated employees who received more than \$100,000 of reportable compensation from the organization and any related organizations.
- List all of the organization's **former directors or trustees** that received, in the capacity as a former director or trustee of the organization, more than \$10,000 of reportable compensation from the organization and any related organizations.

List persons in the following order: individual trustees or directors; institutional trustees; officers; key employees; highest compensated employees; and former such persons.

☐ Check this box if neither the organization nor any related organization compensated any current officer, director, or trustee.

(A) Name and Title	(B) Average hours per week (describe hours for related organizations in Schedule O)	(C) Position (do not check more than one box, unless person is both an officer and a director/trustee)						(D) Reportable compensation from the organization (W-2/1099-MISC)	(E) Reportable compensation from related organizations (W-2/1099-MISC)	(F) Estimated amount of other compensation from the organization and related organizations
		Individual trustee or director	Institutional trustee	Officer	Key employee	Highest compensated employee	Former			
(1) MAUREEN GETZ BOARD CHAIRWOMAN	1.00	X						2,000.	0.	0.
(2) PAULA HEIDERMAN BOARD VICE CHAIRWOMAN	1.00	X						1,250.	0.	0.
(3) PAM KIMMEL BOARD SECRETARY	1.00	X						2,000.	0.	0.
(4) JEAN DONNELLON BOARD ASSN'T SECRETARY	1.00	X						1,250.	0.	0.
(5) LINDA SLOFFER BOARD TREASURER	1.00	X						1,500.	0.	0.
(6) JENNIFER JOAS BOARD ASSN'T TREASURER	1.00	X						1,250.	0.	0.
(7) GARY KENNON BOARD MEMBER	1.00	X						0.	0.	0.
(8) EILEEN MCGARVEY, MD BOARD MEMBER/PHYSICIAN	40.00	X						391,819.	0.	21,902.
(9) PAT STACK, MD BOARD MEMBER/PHYSICIAN	40.00	X						233,719.	0.	32,260.
(10) MARY BETTE VOYLES BOARD MEMBER	1.00	X						1,500.	0.	0.
(11) TONY WALTZ BOARD MEMBER	1.00	X						1,250.	0.	0.
(12) ROGER ALLMAN PRESIDENT/CEO	40.00			X				434,006.	0.	33,696.
(13) STEVE MEACHAM VP FINANCE	40.00			X				184,128.	0.	27,941.
(14) MIKE BURNETT VP PHYSICIAN PRACTICES	40.00			X				162,059.	0.	22,041.
(15) LARRY KEITH VP CLINICAL SERVICES	40.00			X				128,002.	0.	14,099.
(16) LISA MORGAN VP PATIENT SERVICES	40.00			X				126,762.	0.	18,737.
(17) DENINE FALLIS-HALLGARTH VP PHYSICIAN PRACTICES	40.00			X				94,896.	0.	12,084.



**THE BETHANY CIRCLE OF KING'S DAUGHTERS'  
OF MADISON, INDIANA, INC.**

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**Part VII Section A. Officers, Directors, Trustees, Key Employees, and Highest Compensated Employees (continued)**

(A) Name and title	(B) Average hours per week (describe hours for related organizations in Schedule O)	(C) Position (do not check more than one box, unless person is both an officer and a director/trustee)						(D) Reportable compensation from the organization (W-2/1099-MISC)	(E) Reportable compensation from related organizations (W-2/1099-MISC)	(F) Estimated amount of other compensation from the organization and related organizations
		Individual trustee or director	Institutional trustee	Officer	Key employee	Highest compensated employee	Former			
(18) THOMAS ECKERT, MD EMPLOYED PHYSICIAN	40.00					X		780,003.	0.	34,801.
(19) GIL WEIZER, MD EMPLOYED PHYSICIAN	40.00					X		553,724.	0.	28,416.
(20) WILLIAM SKILES, MD EMPLOYED PHYSICIAN	40.00					X		540,456.	0.	28,475.
(21) MICHAEL SCHMIDT, MD EMPLOYED PHYSICIAN	40.00					X		531,129.	0.	34,425.
(22) JONATHAN HANSON, MD EMPLOYED PHYSICIAN	40.00					X		507,853.	0.	27,918.
<b>1b Sub-total</b>								4,680,556.	0.	336,795.
<b>c Total from continuation sheets to Part VII, Section A</b>								0.	0.	0.
<b>d Total (add lines 1b and 1c)</b>								4,680,556.	0.	336,795.

**2** Total number of individuals (including but not limited to those listed above) who received more than \$100,000 of reportable compensation from the organization 65

	Yes	No
<b>3</b> Did the organization list any <b>former</b> officer, director, or trustee, key employee, or highest compensated employee on line 1a? If "Yes," complete Schedule J for such individual		X
<b>4</b> For any individual listed on line 1a, is the sum of reportable compensation and other compensation from the organization and related organizations greater than \$150,000? If "Yes," complete Schedule J for such individual	X	
<b>5</b> Did any person listed on line 1a receive or accrue compensation from any unrelated organization or individual for services rendered to the organization? If "Yes," complete Schedule J for such person		X

**Section B. Independent Contractors**

**1** Complete this table for your five highest compensated independent contractors that received more than \$100,000 of compensation from the organization. Report compensation for the calendar year ending with or within the organization's tax year.

(A) Name and business address	(B) Description of services	(C) Compensation
MAYO COLLABORATIVE SERVICES PO BOX 9146, MINNEAPOLIS, MN 55480-9146	LABORATORY SERVICES	588,146.
MADISON CATHETERIZATION SERVICES, ONE KING'S DAUGHTERS' DRIVE, MADISON, IN 47250	CARDIAC CATHETERIZATION SERV	477,640.
SOUTHEASTERN EMERGENCY PHYSICIANS, INC P.O. BOX 634850, CINCINNATI, OH 45263	CONTRACTED PHYSICIAN MEDICAL SERVICES	451,429.
WEATHERBY LOCUMS, INC. P.O. BOX 972633, DALLAS, TX 75397	CONTRACTED PHYSICIAN MEDICAL SERVICES	240,650.
BLUE & CO. LLC, 2650 EASTPOINT PARKWAY, STE 300, LOUISVILLE, KY 40223	AUDITING AND CONSULTING SERVICES	220,570.

**2** Total number of independent contractors (including but not limited to those listed above) who received more than \$100,000 of compensation from the organization 13

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**THE BETHANY CIRCLE OF KING'S DAUGHTERS'  
OF MADISON, INDIANA, INC.**

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**Part VIII Statement of Revenue**

				(A) Total revenue	(B) Related or exempt function revenue	(C) Unrelated business revenue	(D) Revenue excluded from tax under sections 512, 513, or 514
<b>Contributions, Gifts, Grants and Other Similar Amounts</b>	<b>1 a</b> Federated campaigns	<b>1a</b>					
	<b>b</b> Membership dues	<b>1b</b>					
	<b>c</b> Fundraising events	<b>1c</b>					
	<b>d</b> Related organizations	<b>1d</b>					
	<b>e</b> Government grants (contributions)	<b>1e</b>	60,003.				
	<b>f</b> All other contributions, gifts, grants, and similar amounts not included above	<b>1f</b>	17,601.				
	<b>g</b> Noncash contributions included in lines 1a-1f \$						
	<b>h Total.</b> Add lines 1a-1f			77,604.			
<b>Program Service Revenue</b>	<b>2 a</b> <b>NET PATIENT SERVICE RE</b>	<b>Business Code</b>	621110	109,149,858.	109,091,081.	58,777.	
	<b>b</b>						
	<b>c</b>						
	<b>d</b>						
	<b>e</b>						
	<b>f</b> All other program service revenue						
	<b>g Total.</b> Add lines 2a-2f			109,149,858.			
<b>Other Revenue</b>	<b>3</b> Investment income (including dividends, interest, and other similar amounts)			1328136.			1,328,136.
	<b>4</b> Income from investment of tax-exempt bond proceeds						
	<b>5</b> Royalties						
	<b>6 a</b> Gross rents	(i) Real	(ii) Personal				
	<b>b</b> Less: rental expenses	61,607.					
	<b>c</b> Rental income or (loss)	72,431.					
	<b>d</b> Net rental income or (loss)	<10824.>		<10,824.>	<10,824.>		
	<b>7 a</b> Gross amount from sales of assets other than inventory	(i) Securities	(ii) Other				
	<b>b</b> Less: cost or other basis and sales expenses	91,119,538.	20,060.				
	<b>c</b> Gain or (loss)	86,905,605.	174635.				
	<b>d</b> Net gain or (loss)	4,213,933.	<154,575.>	4059358.			4,059,358.
	<b>8 a</b> Gross income from fundraising events (not including \$ _____ of contributions reported on line 1c). See Part IV, line 18						
	<b>b</b> Less direct expenses						
	<b>c</b> Net income or (loss) from fundraising events						
	<b>9 a</b> Gross income from gaming activities. See Part IV, line 19						
	<b>b</b> Less direct expenses						
	<b>c</b> Net income or (loss) from gaming activities						
	<b>10 a</b> Gross sales of inventory, less returns and allowances						
	<b>b</b> Less cost of goods sold						
	<b>c</b> Net income or (loss) from sales of inventory						
<b>Miscellaneous Revenue</b>			<b>Business Code</b>				
<b>11 a</b> <b>CAFETERIA REVENUE</b>		722210	230,765.			230,765.	
<b>b</b> <b>GIFT SHOP</b>		453220	95,914.			95,914.	
<b>c</b> <b>OTHER</b>		624110	84,241.	84,241.			
<b>d</b> All other revenue		621110	37,282.	37,282.			
<b>e Total.</b> Add lines 11a-11d			448,202.				
<b>12 Total revenue.</b> See instructions.			115,052,334.	109,201,780.	58,777.	5,714,173.	

**THE BETHANY CIRCLE OF KING'S DAUGHTERS'  
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**Part IX Statement of Functional Expenses**

Section 501(c)(3) and 501(c)(4) organizations must complete all columns. All other organizations must complete column (A) but are not required to complete columns (B), (C), and (D).

Check if Schedule O contains a response to any question in this Part IX ☐

Do not include amounts reported on lines 6b, 7b, 8b, 9b, and 10b of Part VIII.	(A) Total expenses	(B) Program service expenses	(C) Management and general expenses	(D) Fundraising expenses
<b>1</b> Grants and other assistance to governments and organizations in the United States. See Part IV, line 21	71,556.	71,556.		
<b>2</b> Grants and other assistance to individuals in the United States. See Part IV, line 22				
<b>3</b> Grants and other assistance to governments, organizations, and individuals outside the United States. See Part IV, lines 15 and 16				
<b>4</b> Benefits paid to or for members				
<b>5</b> Compensation of current officers, directors, trustees, and key employees	1,950,151.	1,560,121.	390,030.	
<b>6</b> Compensation not included above, to disqualified persons (as defined under section 4958(f)(1)) and persons described in section 4958(c)(3)(B)				
<b>7</b> Other salaries and wages	46,366,377.	41,423,705.	4,942,672.	
<b>8</b> Pension plan accruals and contributions (include section 401(k) and section 403(b) employer contributions)	2,201,651.	1,981,486.	220,165.	
<b>9</b> Other employee benefits	6,592,613.	5,933,352.	659,261.	
<b>10</b> Payroll taxes	3,339,342.	3,005,408.	333,934.	
<b>11</b> Fees for services (non-employees)				
<b>a</b> Management				
<b>b</b> Legal	186,539.		186,539.	
<b>c</b> Accounting	1,264,944.		1,264,944.	
<b>d</b> Lobbying				
<b>e</b> Professional fundraising services. See Part IV, line 17				
<b>f</b> Investment management fees	279,822.		279,822.	
<b>g</b> Other				
<b>12</b> Advertising and promotion	65,490.	58,941.	6,549.	
<b>13</b> Office expenses	1,933,677.	1,585,615.	348,062.	
<b>14</b> Information technology	444,927.	400,434.	44,493.	
<b>15</b> Royalties				
<b>16</b> Occupancy	1,519,443.	1,367,499.	151,944.	
<b>17</b> Travel	166,091.	149,482.	16,609.	
<b>18</b> Payments of travel or entertainment expenses for any federal, state, or local public officials				
<b>19</b> Conferences, conventions, and meetings				
<b>20</b> Interest	55,548.	49,993.	5,555.	
<b>21</b> Payments to affiliates				
<b>22</b> Depreciation, depletion, and amortization	4,908,567.	4,417,710.	490,857.	
<b>23</b> Insurance	1,109,265.	998,338.	110,927.	
<b>24</b> Other expenses. Itemize expenses not covered above. (List miscellaneous expenses in line 24e. If line 24e amount exceeds 10% of line 25, column (A) amount, list line 24e expenses on Schedule O.)				
<b>a</b> <u>BAD DEBTS</u>	13,857,055.	13,857,055.		
<b>b</b> <u>DRUGS</u>	6,482,645.	6,482,645.		
<b>c</b> <u>PURCHASED SERVICES</u>	5,098,080.	4,588,272.	509,808.	
<b>d</b> <u>SUPPLIES</u>	4,448,186.	3,780,958.	667,228.	
<b>e</b> All other expenses	4,730,542.	3,505,858.	1,224,684.	
<b>25</b> Total functional expenses. Add lines 1 through 24e	107072511.	95,218,428.	11,854,083.	0.
<b>26</b> Joint costs. Complete this line only if the organization reported in column (B) joint costs from a combined educational campaign and fundraising solicitation.				

Check here ☐ if following SOP 98-2 (ASC 958-720)

**THE BETHANY CIRCLE OF KING'S DAUGHTERS'  
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**Part X Balance Sheet**

		(A) Beginning of year		(B) End of year
<b>Assets</b>	<b>1</b> Cash - non-interest-bearing		<b>1</b>	
	<b>2</b> Savings and temporary cash investments	8,699,077.	<b>2</b>	7,459,837.
	<b>3</b> Pledges and grants receivable, net		<b>3</b>	
	<b>4</b> Accounts receivable, net	11,212,808.	<b>4</b>	10,973,022.
	<b>5</b> Receivables from current and former officers, directors, trustees, key employees, and highest compensated employees. Complete Part II of Schedule L	324,614.	<b>5</b>	320,859.
	<b>6</b> Receivables from other disqualified persons (as defined under section 4958(f)(1)), persons described in section 4958(c)(3)(B), and contributing employers and sponsoring organizations of section 501(c)(9) voluntary employees' beneficiary organizations (see instructions)		<b>6</b>	
	<b>7</b> Notes and loans receivable, net	556,234.	<b>7</b>	444,959.
	<b>8</b> Inventories for sale or use	1,970,608.	<b>8</b>	2,113,551.
	<b>9</b> Prepaid expenses and deferred charges	1,038,484.	<b>9</b>	969,902.
	<b>10a</b> Land, buildings, and equipment: cost or other basis. Complete Part VI of Schedule D	131,851,347.		
	<b>10b</b> Less: accumulated depreciation	55,777,117.		
		42,326,969.	<b>10c</b>	76,074,230.
	<b>11</b> Investments - publicly traded securities	153,056,023.	<b>11</b>	127,169,120.
	<b>12</b> Investments - other securities. See Part IV, line 11		<b>12</b>	
	<b>13</b> Investments - program-related. See Part IV, line 11		<b>13</b>	
	<b>14</b> Intangible assets		<b>14</b>	
<b>15</b> Other assets. See Part IV, line 11	3,546,477.	<b>15</b>	3,503,586.	
<b>16</b> <b>Total assets.</b> Add lines 1 through 15 (must equal line 34)	222,731,294.	<b>16</b>	229,029,066.	
<b>Liabilities</b>	<b>17</b> Accounts payable and accrued expenses	8,631,077.	<b>17</b>	13,521,658.
	<b>18</b> Grants payable		<b>18</b>	
	<b>19</b> Deferred revenue		<b>19</b>	
	<b>20</b> Tax-exempt bond liabilities	97,853,607.	<b>20</b>	97,894,119.
	<b>21</b> Escrow or custodial account liability. Complete Part IV of Schedule D		<b>21</b>	
	<b>22</b> Payables to current and former officers, directors, trustees, key employees, highest compensated employees, and disqualified persons. Complete Part II of Schedule L		<b>22</b>	
	<b>23</b> Secured mortgages and notes payable to unrelated third parties	925,638.	<b>23</b>	857,960.
	<b>24</b> Unsecured notes and loans payable to unrelated third parties		<b>24</b>	
	<b>25</b> Other liabilities (including federal income tax, payables to related third parties, and other liabilities not included on lines 17-24). Complete Part X of Schedule D	1,151,683.	<b>25</b>	2,038,992.
	<b>26</b> <b>Total liabilities.</b> Add lines 17 through 25	108,562,005.	<b>26</b>	114,312,729.
<b>Net Assets or Fund Balances</b>	<b>Organizations that follow SFAS 117, check here</b> <input checked="" type="checkbox"/> <b>and complete lines 27 through 29, and lines 33 and 34.</b>			
	<b>27</b> Unrestricted net assets	114,032,135.	<b>27</b>	114,586,599.
	<b>28</b> Temporarily restricted net assets	127,154.	<b>28</b>	119,738.
	<b>29</b> Permanently restricted net assets	10,000.	<b>29</b>	10,000.
	<b>Organizations that do not follow SFAS 117, check here</b> <input type="checkbox"/> <b>and complete lines 30 through 34.</b>			
	<b>30</b> Capital stock or trust principal, or current funds		<b>30</b>	
	<b>31</b> Paid-in or capital surplus, or land, building, or equipment fund		<b>31</b>	
	<b>32</b> Retained earnings, endowment, accumulated income, or other funds		<b>32</b>	
	<b>33</b> <b>Total net assets or fund balances</b>	114,169,289.	<b>33</b>	114,716,337.
	<b>34</b> <b>Total liabilities and net assets/fund balances</b>	222,731,294.	<b>34</b>	229,029,066.

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THE BETHANY CIRCLE OF KING'S DAUGHTERS'  
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**Part XI Reconciliation of Net Assets**

Check if Schedule O contains a response to any question in this Part XI

☒

1	Total revenue (must equal Part VIII, column (A), line 12)	1	115,052,334.
2	Total expenses (must equal Part IX, column (A), line 25)	2	107,072,511.
3	Revenue less expenses. Subtract line 2 from line 1	3	7,979,823.
4	Net assets or fund balances at beginning of year (must equal Part X, line 33, column (A))	4	114,169,289.
5	Other changes in net assets or fund balances (explain in Schedule O)	5	<7,432,775.>
6	Net assets or fund balances at end of year. Combine lines 3, 4, and 5 (must equal Part X, line 33, column (B))	6	114,716,337.

**Part XII Financial Statements and Reporting**

Check if Schedule O contains a response to any question in this Part XII

☒

		Yes	No
1	Accounting method used to prepare the Form 990: <input type="checkbox"/> Cash <input checked="" type="checkbox"/> Accrual <input type="checkbox"/> Other _____ If the organization changed its method of accounting from a prior year or checked "Other," explain in Schedule O.		
2a	Were the organization's financial statements compiled or reviewed by an independent accountant?		X
b	Were the organization's financial statements audited by an independent accountant?	X	
c	If "Yes" to line 2a or 2b, does the organization have a committee that assumes responsibility for oversight of the audit, review, or compilation of its financial statements and selection of an independent accountant? If the organization changed either its oversight process or selection process during the tax year, explain in Schedule O.	X	
d	If "Yes" to line 2a or 2b, check a box below to indicate whether the financial statements for the year were issued on a separate basis, consolidated basis, or both: <input type="checkbox"/> Separate basis <input checked="" type="checkbox"/> Consolidated basis <input type="checkbox"/> Both consolidated and separate basis		
3a	As a result of a federal award, was the organization required to undergo an audit or audits as set forth in the Single Audit Act and OMB Circular A-133?		X
b	If "Yes," did the organization undergo the required audit or audits? If the organization did not undergo the required audit or audits, explain why in Schedule O and describe any steps taken to undergo such audits.		

Form 990 (2011)

Department of the Treasury  
Internal Revenue Service

**Complete if the organization is a section 501(c)(3) organization or a section 4947(a)(1) nonexempt charitable trust.**

▶ Attach to Form 990 or Form 990-EZ. ▶ See separate instructions.

OMB No. 1545-0047

2011

**Open to Public Inspection**

Name of the organization	THE BETHANY CIRCLE OF KING'S DAUGHTERS' OF MADISON, INDIANA, INC.
--------------------------	---

Employer identification number  
35-0895832

<b>Part I</b>	<b>Reason for Public Charity Status</b> (All organizations must complete this part ) See instructions.
---------------	--

The organization is not a private foundation because it is: (For lines 1 through 11, check only one box.)

- 1 ☐ A church, convention of churches, or association of churches described in **section 170(b)(1)(A)(i).**

2 ☐ A school described in **section 170(b)(1)(A)(ii).** (Attach Schedule E.)

3 ☒ A hospital or a cooperative hospital service organization described in **section 170(b)(1)(A)(iii).**

4 ☐ A medical research organization operated in conjunction with a hospital described in **section 170(b)(1)(A)(iii).** Enter the hospital's name, city, and state: \_\_\_\_\_

5 ☐ An organization operated for the benefit of a college or university owned or operated by a governmental unit described in **section 170(b)(1)(A)(iv).** (Complete Part II.)

6 ☐ A federal, state, or local government or governmental unit described in **section 170(b)(1)(A)(v).**

7 ☐ An organization that normally receives a substantial part of its support from a governmental unit or from the general public described in **section 170(b)(1)(A)(vi).** (Complete Part II.)

8 ☐ A community trust described in **section 170(b)(1)(A)(vi).** (Complete Part II.)

9 ☐ An organization that normally receives: (1) more than 33 1/3% of its support from contributions, membership fees, and gross receipts from activities related to its exempt functions - subject to certain exceptions, and (2) no more than 33 1/3% of its support from gross investment income and unrelated business taxable income (less section 511 tax) from businesses acquired by the organization after June 30, 1975. See **section 509(a)(2).** (Complete Part III)

10 ☐ An organization organized and operated exclusively to test for public safety. See **section 509(a)(4).**

11 ☐ An organization organized and operated exclusively for the benefit of, to perform the functions of, or to carry out the purposes of one or more publicly supported organizations described in section 509(a)(1) or section 509(a)(2). See **section 509(a)(3).** Check the box that describes the type of supporting organization and complete lines 11e through 11h

a ☐ Type I      b ☐ Type II      c ☐ Type III - Functionally integrated      d ☐ Type III - Other

e ☐ By checking this box, I certify that the organization is not controlled directly or indirectly by one or more disqualified persons other than foundation managers and other than one or more publicly supported organizations described in section 509(a)(1) or section 509(a)(2).

f ☐ If the organization received a written determination from the IRS that it is a Type I, Type II, or Type III supporting organization, check this box

g Since August 17, 2006, has the organization accepted any gift or contribution from any of the following persons?

(i) A person who directly or indirectly controls, either alone or together with persons described in (ii) and (iii) below, the governing body of the supported organization?

(ii) A family member of a person described in (i) above?

(iii) A 35% controlled entity of a person described in (i) or (ii) above?

h Provide the following information about the supported organization(s)

	Yes	No
11g(i)		
11g(ii)		
11g(iii)		

	Yes	No
11g(i)		
11g(ii)		
11g(iii)		

[illegible]

**LHA For Paperwork Reduction Act Notice, see the Instructions for Form 990 or 990-EZ.**

Schedule A (Form 990 or 990-EZ) 2011

**Part II Support Schedule for Organizations Described in Sections 170(b)(1)(A)(iv) and 170(b)(1)(A)(vi)**

(Complete only if you checked the box on line 5, 7, or 8 of Part I or if the organization failed to qualify under Part III. If the organization fails to qualify under the tests listed below, please complete Part III.)

**Section A. Public Support**

Calendar year (or fiscal year beginning in) ▶	(a) 2007	(b) 2008	(c) 2009	(d) 2010	(e) 2011	(f) Total
<b>1</b> Gifts, grants, contributions, and membership fees received. (Do not include any "unusual grants.")						
<b>2</b> Tax revenues levied for the organization's benefit and either paid to or expended on its behalf						
<b>3</b> The value of services or facilities furnished by a governmental unit to the organization without charge						
<b>4 Total.</b> Add lines 1 through 3						
<b>5</b> The portion of total contributions by each person (other than a governmental unit or publicly supported organization) included on line 1 that exceeds 2% of the amount shown on line 11, column (f)						
<b>6 Public support.</b> Subtract line 5 from line 4						

**Section B. Total Support**

Calendar year (or fiscal year beginning in) ▶	(a) 2007	(b) 2008	(c) 2009	(d) 2010	(e) 2011	(f) Total
<b>7</b> Amounts from line 4						
<b>8</b> Gross income from interest, dividends, payments received on securities loans, rents, royalties and income from similar sources						
<b>9</b> Net income from unrelated business activities, whether or not the business is regularly carried on						
<b>10</b> Other income. Do not include gain or loss from the sale of capital assets (Explain in Part IV.)						
<b>11 Total support.</b> Add lines 7 through 10						
<b>12</b> Gross receipts from related activities, etc. (see instructions)					<b>12</b>	
<b>13 First five years.</b> If the Form 990 is for the organization's first, second, third, fourth, or fifth tax year as a section 501(c)(3) organization, check this box and stop here <input type="checkbox"/>						

**Section C. Computation of Public Support Percentage**

<b>14</b> Public support percentage for 2011 (line 6, column (f) divided by line 11, column (f))	<b>14</b>	%
<b>15</b> Public support percentage from 2010 Schedule A, Part II, line 14	<b>15</b>	%
<b>16a 33 1/3% support test - 2011.</b> If the organization did not check the box on line 13, and line 14 is 33 1/3% or more, check this box and stop here. The organization qualifies as a publicly supported organization <input type="checkbox"/>		
<b>b 33 1/3% support test - 2010.</b> If the organization did not check a box on line 13 or 16a, and line 15 is 33 1/3% or more, check this box and stop here. The organization qualifies as a publicly supported organization <input type="checkbox"/>		
<b>17a 10% -facts-and-circumstances test - 2011.</b> If the organization did not check a box on line 13, 16a, or 16b, and line 14 is 10% or more, and if the organization meets the "facts-and-circumstances" test, check this box and stop here. Explain in Part IV how the organization meets the "facts-and-circumstances" test. The organization qualifies as a publicly supported organization <input type="checkbox"/>		
<b>b 10% -facts-and-circumstances test - 2010.</b> If the organization did not check a box on line 13, 16a, 16b, or 17a, and line 15 is 10% or more, and if the organization meets the "facts-and-circumstances" test, check this box and stop here. Explain in Part IV how the organization meets the "facts-and-circumstances" test. The organization qualifies as a publicly supported organization <input type="checkbox"/>		
<b>18 Private foundation.</b> If the organization did not check a box on line 13, 16a, 16b, 17a, or 17b, check this box and see instructions <input type="checkbox"/>		

Schedule A (Form 990 or 990-EZ) 2011

**Part III Support Schedule for Organizations Described in Section 509(a)(2)**

(Complete only if you checked the box on line 9 of Part I or if the organization failed to qualify under Part II. If the organization fails to qualify under the tests listed below, please complete Part II.)

**Section A. Public Support**

Calendar year (or fiscal year beginning in) ►	(a) 2007	(b) 2008	(c) 2009	(d) 2010	(e) 2011	(f) Total
<b>1</b> Gifts, grants, contributions, and membership fees received. (Do not include any "unusual grants.")						
<b>2</b> Gross receipts from admissions, merchandise sold or services performed, or facilities furnished in any activity that is related to the organization's tax-exempt purpose						
<b>3</b> Gross receipts from activities that are not an unrelated trade or business under section 513						
<b>4</b> Tax revenues levied for the organization's benefit and either paid to or expended on its behalf						
<b>5</b> The value of services or facilities furnished by a governmental unit to the organization without charge						
<b>6 Total.</b> Add lines 1 through 5						
<b>7a</b> Amounts included on lines 1, 2, and 3 received from disqualified persons						
<b>b</b> Amounts included on lines 2 and 3 received from other than disqualified persons that exceed the greater of \$5,000 or 1% of the amount on line 13 for the year						
<b>c</b> Add lines 7a and 7b						
<b>8 Public support.</b> (Subtract line 7c from line 6.)						

**Section B. Total Support**

Calendar year (or fiscal year beginning in) ►	(a) 2007	(b) 2008	(c) 2009	(d) 2010	(e) 2011	(f) Total
<b>9</b> Amounts from line 6						
<b>10a</b> Gross income from interest, dividends, payments received on securities loans, rents, royalties and income from similar sources						
<b>b</b> Unrelated business taxable income (less section 511 taxes) from businesses acquired after June 30, 1975						
<b>c</b> Add lines 10a and 10b						
<b>11</b> Net income from unrelated business activities not included in line 10b, whether or not the business is regularly carried on						
<b>12</b> Other income. Do not include gain or loss from the sale of capital assets (Explain in Part IV.)						
<b>13 Total support.</b> (Add lines 9, 10c, 11, and 12.)						

**14 First five years.** If the Form 990 is for the organization's first, second, third, fourth, or fifth tax year as a section 501(c)(3) organization, check this box and **stop here** ☐

**Section C. Computation of Public Support Percentage**

<b>15</b> Public support percentage for 2011 (line 8, column (f) divided by line 13, column (f))	<b>15</b>		%
<b>16</b> Public support percentage from 2010 Schedule A, Part III, line 15	<b>16</b>		%

**Section D. Computation of Investment Income Percentage**

<b>17</b> Investment income percentage for 2011 (line 10c, column (f) divided by line 13, column (f))	<b>17</b>		%
<b>18</b> Investment income percentage from 2010 Schedule A, Part III, line 17	<b>18</b>		%

**19a 33 1/3% support tests - 2011.** If the organization did not check the box on line 14, and line 15 is more than 33 1/3%, and line 17 is not more than 33 1/3%, check this box and **stop here**. The organization qualifies as a publicly supported organization ☐

**b 33 1/3% support tests - 2010.** If the organization did not check a box on line 14 or line 19a, and line 16 is more than 33 1/3%, and line 18 is not more than 33 1/3%, check this box and **stop here**. The organization qualifies as a publicly supported organization ☐

**20 Private foundation.** If the organization did not check a box on line 14, 19a, or 19b, check this box and see instructions ☐



**Schedule B**(Form 990, 990-EZ,  
or 990-PF)Department of the Treasury  
Internal Revenue Service**Schedule of Contributors**

▶ Attach to Form 990, Form 990-EZ, or Form 990-PF.

OMB No. 1545-0047

**2011****Name of the organization**THE BETHANY CIRCLE OF KING'S DAUGHTERS'  
OF MADISON, INDIANA, INC.**Employer identification number**

35-0895832

**Organization type**(check one):**Filers of:****Section:**

Form 990 or 990-EZ

☒ 501(c)( 3 ) (enter number) organization☐ 4947(a)(1) nonexempt charitable trust **not** treated as a private foundation☐ 527 political organization

Form 990-PF

☐ 501(c)(3) exempt private foundation☐ 4947(a)(1) nonexempt charitable trust treated as a private foundation☐ 501(c)(3) taxable private foundationCheck if your organization is covered by the **General Rule** or a **Special Rule**.**Note.** Only a section 501(c)(7), (8), or (10) organization can check boxes for both the General Rule and a Special Rule. See instructions.**General Rule**

- ☒ For an organization filing Form 990, 990-EZ, or 990-PF that received, during the year, \$5,000 or more (in money or property) from any one contributor. Complete Parts I and II.

**Special Rules**

- ☐ For a section 501(c)(3) organization filing Form 990 or 990-EZ that met the 33 1/3% support test of the regulations under sections 509(a)(1) and 170(b)(1)(A)(vi) and received from any one contributor, during the year, a contribution of the greater of (1) \$5,000 or (2) 2% of the amount on (i) Form 990, Part VIII, line 1h, or (ii) Form 990-EZ, line 1. Complete Parts I and II.
- ☐ For a section 501(c)(7), (8), or (10) organization filing Form 990 or 990-EZ that received from any one contributor, during the year, total contributions of more than \$1,000 for use *exclusively* for religious, charitable, scientific, literary, or educational purposes, or the prevention of cruelty to children or animals. Complete Parts I, II, and III.
- ☐ For a section 501(c)(7), (8), or (10) organization filing Form 990 or 990-EZ that received from any one contributor, during the year, contributions for use *exclusively* for religious, charitable, etc., purposes, but these contributions did not total to more than \$1,000. If this box is checked, enter here the total contributions that were received during the year for an *exclusively* religious, charitable, etc., purpose. Do not complete any of the parts unless the **General Rule** applies to this organization because it received nonexclusively religious, charitable, etc., contributions of \$5,000 or more during the year ▶ \$ \_\_\_\_\_

**Caution.** An organization that is not covered by the General Rule and/or the Special Rules does not file Schedule B (Form 990, 990-EZ, or 990-PF), but it **must** answer "No" on Part IV, line 2, of its Form 990; or check the box on line H of its Form 990-EZ or on Part I, line 2 of its Form 990-PF, to certify that it does not meet the filing requirements of Schedule B (Form 990, 990-EZ, or 990-PF).

**LHA For Paperwork Reduction Act Notice, see the Instructions for Form 990, 990-EZ, or 990-PF. Schedule B (Form 990, 990-EZ, or 990-PF) (2011)**

**SCHEDULE C**  
**(Form 990 or 990-EZ)**

Department of the Treasury  
Internal Revenue Service

**Political Campaign and Lobbying Activities**

For Organizations Exempt From Income Tax Under section 501(c) and section 527

OMB No 1545-0047

**2011**

Open to Public  
Inspection

▶ **Complete if the organization is described below. ▶ Attach to Form 990 or Form 990-EZ.**  
▶ **See separate instructions.**

**If the organization answered "Yes" to Form 990, Part IV, line 3, or Form 990-EZ, Part V, line 46 (Political Campaign Activities), then**

- Section 501(c)(3) organizations: Complete Parts I-A and B. Do not complete Part I-C.
- Section 501(c) (other than section 501(c)(3)) organizations: Complete Parts I-A and C below. Do not complete Part I-B.
- Section 527 organizations: Complete Part I-A only.

**If the organization answered "Yes" to Form 990, Part IV, line 4, or Form 990-EZ, Part VI, line 47 (Lobbying Activities), then**

- Section 501(c)(3) organizations that have filed Form 5768 (election under section 501(h)): Complete Part II-A. Do not complete Part II-B.
- Section 501(c)(3) organizations that have NOT filed Form 5768 (election under section 501(h)): Complete Part II-B. Do not complete Part II-A.

**If the organization answered "Yes" to Form 990, Part IV, line 5 (Proxy Tax), or Form 990-EZ, Part V, line 35c (Proxy Tax), then**

- Section 501(c)(4), (5), or (6) organizations: Complete Part III.

Name of organization	<b>THE BETHANY CIRCLE OF KING'S DAUGHTERS' OF MADISON, INDIANA, INC.</b>	Employer identification number	<b>35-0895832</b>
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**Part I-A Complete if the organization is exempt under section 501(c) or is a section 527 organization.**

- 1 Provide a description of the organization's direct and indirect political campaign activities in Part IV.
- 2 Political expenditures ▶ \$ \_\_\_\_\_
- 3 Volunteer hours \_\_\_\_\_

**Part I-B Complete if the organization is exempt under section 501(c)(3).**

- 1 Enter the amount of any excise tax incurred by the organization under section 4955 ▶ \$ \_\_\_\_\_
- 2 Enter the amount of any excise tax incurred by organization managers under section 4955 ▶ \$ \_\_\_\_\_
- 3 If the organization incurred a section 4955 tax, did it file Form 4720 for this year?  
☐ Yes ☐ No
- 4a Was a correction made?  
☐ Yes ☐ No
- b If "Yes," describe in Part IV.

**Part I-C Complete if the organization is exempt under section 501(c), except section 501(c)(3).**

- 1 Enter the amount directly expended by the filing organization for section 527 exempt function activities ▶ \$ \_\_\_\_\_
- 2 Enter the amount of the filing organization's funds contributed to other organizations for section 527 exempt function activities ▶ \$ \_\_\_\_\_
- 3 Total exempt function expenditures. Add lines 1 and 2. Enter here and on Form 1120-POL, line 17b ▶ \$ \_\_\_\_\_
- 4 Did the filing organization file Form 1120-POL for this year? ☐ Yes ☐ No
- 5 Enter the names, addresses and employer identification number (EIN) of all section 527 political organizations to which the filing organization made payments. For each organization listed, enter the amount paid from the filing organization's funds. Also enter the amount of political contributions received that were promptly and directly delivered to a separate political organization, such as a separate segregated fund or a political action committee (PAC). If additional space is needed, provide information in Part IV.

(a) Name	(b) Address	(c) EIN	(d) Amount paid from filing organization's funds. If none, enter -0-.	(e) Amount of political contributions received and promptly and directly delivered to a separate political organization. If none, enter -0-.

For Paperwork Reduction Act Notice, see the Instructions for Form 990 or 990-EZ.

Schedule C (Form 990 or 990-EZ) 2011

LHA

## THE BETHANY CIRCLE OF KING'S DAUGHTERS'

Schedule C (Form 990 or 990-EZ) 2011 OF MADISON, INDIANA, INC.

35-0895832 Page 2

**Part II-A** Complete if the organization is exempt under section 501(c)(3) and filed Form 5768 (election under section 501(h)).

**A** Check ☐ if the filing organization belongs to an affiliated group (and list in Part IV each affiliated group member's name, address, EIN, expenses, and share of excess lobbying expenditures).

**B** Check ☐ if the filing organization checked box A and "limited control" provisions apply.

Limits on Lobbying Expenditures (The term "expenditures" means amounts paid or incurred.)		(a) Filing organization's totals	(b) Affiliated group totals
<b>1a</b> Total lobbying expenditures to influence public opinion (grass roots lobbying)			
<b>b</b> Total lobbying expenditures to influence a legislative body (direct lobbying)			
<b>c</b> Total lobbying expenditures (add lines 1a and 1b)			
<b>d</b> Other exempt purpose expenditures			
<b>e</b> Total exempt purpose expenditures (add lines 1c and 1d)			
<b>f</b> Lobbying nontaxable amount. Enter the amount from the following table in both columns.			
<b>If the amount on line 1e, column (a) or (b) is:</b>	<b>The lobbying nontaxable amount is:</b>		
Not over \$500,000	20% of the amount on line 1e.		
Over \$500,000 but not over \$1,000,000	\$100,000 plus 15% of the excess over \$500,000		
Over \$1,000,000 but not over \$1,500,000	\$175,000 plus 10% of the excess over \$1,000,000		
Over \$1,500,000 but not over \$17,000,000	\$225,000 plus 5% of the excess over \$1,500,000		
Over \$17,000,000	\$1,000,000		
<b>g</b> Grassroots nontaxable amount (enter 25% of line 1f)			
<b>h</b> Subtract line 1g from line 1a. If zero or less, enter -0-			
<b>i</b> Subtract line 1f from line 1c. If zero or less, enter -0-			
<b>j</b> If there is an amount other than zero on either line 1h or line 1i, did the organization file Form 4720 reporting section 4911 tax for this year?			

☐ Yes ☐ No
**4-Year Averaging Period Under Section 501(h)**

(Some organizations that made a section 501(h) election do not have to complete all of the five columns below. See the instructions for lines 2a through 2f on page 4.)

Lobbying Expenditures During 4-Year Averaging Period					
Calendar year (or fiscal year beginning in)	(a) 2008	(b) 2009	(c) 2010	(d) 2011	(e) Total
<b>2a</b> Lobbying nontaxable amount					
<b>b</b> Lobbying ceiling amount (150% of line 2a, column(e))					
<b>c</b> Total lobbying expenditures					
<b>d</b> Grassroots nontaxable amount					
<b>e</b> Grassroots ceiling amount (150% of line 2d, column (e))					
<b>f</b> Grassroots lobbying expenditures					

Schedule C (Form 990 or 990-EZ) 2011

**THE BETHANY CIRCLE OF KING'S DAUGHTERS'**

Schedule C (Form 990 or 990-EZ) 2011 **OF MADISON, INDIANA, INC.**

35-0895832 Page 3

**Part II-B** Complete if the organization is exempt under section 501(c)(3) and has NOT filed Form 5768 (election under section 501(h)).

For each "Yes" response to lines 1a through 1i below, provide in Part IV a detailed description of the lobbying activity	(a)		(b)
	Yes	No	Amount
<b>1</b> During the year, did the filing organization attempt to influence foreign, national, state or local legislation, including any attempt to influence public opinion on a legislative matter or referendum, through the use of:			
<b>a</b> Volunteers?		<b>X</b>	
<b>b</b> Paid staff or management (include compensation in expenses reported on lines 1c through 1i)?		<b>X</b>	
<b>c</b> Media advertisements?		<b>X</b>	
<b>d</b> Mailings to members, legislators, or the public?		<b>X</b>	
<b>e</b> Publications, or published or broadcast statements?		<b>X</b>	
<b>f</b> Grants to other organizations for lobbying purposes?		<b>X</b>	
<b>g</b> Direct contact with legislators, their staffs, government officials, or a legislative body?		<b>X</b>	
<b>h</b> Rallies, demonstrations, seminars, conventions, speeches, lectures, or any similar means?		<b>X</b>	
<b>i</b> Other activities?	<b>X</b>		9,876.
<b>j</b> Total. Add lines 1c through 1i			9,876.
<b>2a</b> Did the activities in line 1 cause the organization to be not described in section 501(c)(3)?		<b>X</b>	
<b>b</b> If "Yes," enter the amount of any tax incurred under section 4912			
<b>c</b> If "Yes," enter the amount of any tax incurred by organization managers under section 4912			
<b>d</b> If the filing organization incurred a section 4912 tax, did it file Form 4720 for this year?			

**Part III-A** Complete if the organization is exempt under section 501(c)(4), section 501(c)(5), or section 501(c)(6).

	Yes	No
<b>1</b> Were substantially all (90% or more) dues received nondeductible by members?	<b>1</b>	
<b>2</b> Did the organization make only in-house lobbying expenditures of \$2,000 or less?	<b>2</b>	
<b>3</b> Did the organization agree to carry over lobbying and political expenditures from the prior year?	<b>3</b>	

**Part III-B** Complete if the organization is exempt under section 501(c)(4), section 501(c)(5), or section 501(c)(6) and if either (a) BOTH Part III-A, lines 1 and 2, are answered "No" OR (b) Part III-A, line 3, is answered "Yes."

<b>1</b> Dues, assessments and similar amounts from members	<b>1</b>	
<b>2</b> Section 162(e) nondeductible lobbying and political expenditures (do not include amounts of political expenses for which the section 527(f) tax was paid).		
<b>a</b> Current year	<b>2a</b>	
<b>b</b> Carryover from last year	<b>2b</b>	
<b>c</b> Total	<b>2c</b>	
<b>3</b> Aggregate amount reported in section 6033(e)(1)(A) notices of nondeductible section 162(e) dues	<b>3</b>	
<b>4</b> If notices were sent and the amount on line 2c exceeds the amount on line 3, what portion of the excess does the organization agree to carryover to the reasonable estimate of nondeductible lobbying and political expenditure next year?	<b>4</b>	
<b>5</b> Taxable amount of lobbying and political expenditures (see instructions)	<b>5</b>	

**Part IV** Supplemental Information

Complete this part to provide the descriptions required for Part I-A, line 1; Part I-B, line 4; Part I-C, line 5; Part II-A; and Part II-B, line 1. Also, complete this part for any additional information.

**PART II-B, LINE 1, LOBBYING ACTIVITIES:**

PORTION OF INDIANA HOSPITAL ASSOCIATION DUES AND AMERICAN HOSPITAL ASSOCIATION DUES ATTRIBUTABLE TO LOBBYING EXPENSES AS DEFINED BY FEDERAL LAW.

**SCHEDULE D**  
**(Form 990)**Department of the Treasury  
Internal Revenue Service**Supplemental Financial Statements**▶ Complete if the organization answered "Yes," to Form 990,  
Part IV, line 6, 7, 8, 9, 10, 11a, 11b, 11c, 11d, 11e, 11f, 12a, or 12b.  
▶ Attach to Form 990. ▶ See separate instructions.

OMB No 1545-0047

**2011**Open to Public  
InspectionName of the organization **THE BETHANY CIRCLE OF KING'S DAUGHTERS'  
OF MADISON, INDIANA, INC.**Employer identification number  
**35-0895832****Part I Organizations Maintaining Donor Advised Funds or Other Similar Funds or Accounts.** Complete if the  
organization answered "Yes" to Form 990, Part IV, line 6.

	(a) Donor advised funds	(b) Funds and other accounts
1 Total number at end of year		
2 Aggregate contributions to (during year)		
3 Aggregate grants from (during year)		
4 Aggregate value at end of year		
5 Did the organization inform all donors and donor advisors in writing that the assets held in donor advised funds are the organization's property, subject to the organization's exclusive legal control?		<input type="checkbox"/> Yes <input type="checkbox"/> No
6 Did the organization inform all grantees, donors, and donor advisors in writing that grant funds can be used only for charitable purposes and not for the benefit of the donor or donor advisor, or for any other purpose conferring impermissible private benefit?		<input type="checkbox"/> Yes <input type="checkbox"/> No

**Part II Conservation Easements.** Complete if the organization answered "Yes" to Form 990, Part IV, line 7.

1 Purpose(s) of conservation easements held by the organization (check all that apply).

<input type="checkbox"/> Preservation of land for public use (e.g., recreation or education)	<input type="checkbox"/> Preservation of an historically important land area
<input type="checkbox"/> Protection of natural habitat	<input type="checkbox"/> Preservation of a certified historic structure
<input type="checkbox"/> Preservation of open space	

2 Complete lines 2a through 2d if the organization held a qualified conservation contribution in the form of a conservation easement on the last day of the tax year.

	Held at the End of the Tax Year
a Total number of conservation easements	2a
b Total acreage restricted by conservation easements	2b
c Number of conservation easements on a certified historic structure included in (a)	2c
d Number of conservation easements included in (c) acquired after 8/17/06, and not on a historic structure listed in the National Register	2d

3 Number of conservation easements modified, transferred, released, extinguished, or terminated by the organization during the tax year ▶ \_\_\_\_\_

4 Number of states where property subject to conservation easement is located ▶ \_\_\_\_\_

5 Does the organization have a written policy regarding the periodic monitoring, inspection, handling of violations, and enforcement of the conservation easements it holds? ☐ Yes ☐ No

6 Staff and volunteer hours devoted to monitoring, inspecting, and enforcing conservation easements during the year ▶ \_\_\_\_\_

7 Amount of expenses incurred in monitoring, inspecting, and enforcing conservation easements during the year ▶ \$ \_\_\_\_\_

8 Does each conservation easement reported on line 2(d) above satisfy the requirements of section 170(h)(4)(B)(i) and section 170(h)(4)(B)(ii)? ☐ Yes ☐ No

9 In Part XIV, describe how the organization reports conservation easements in its revenue and expense statement, and balance sheet, and include, if applicable, the text of the footnote to the organization's financial statements that describes the organization's accounting for conservation easements.

**Part III Organizations Maintaining Collections of Art, Historical Treasures, or Other Similar Assets.**

Complete if the organization answered "Yes" to Form 990, Part IV, line 8.

1a If the organization elected, as permitted under SFAS 116 (ASC 958), not to report in its revenue statement and balance sheet works of art, historical treasures, or other similar assets held for public exhibition, education, or research in furtherance of public service, provide, in Part XIV, the text of the footnote to its financial statements that describes these items.

b If the organization elected, as permitted under SFAS 116 (ASC 958), to report in its revenue statement and balance sheet works of art, historical treasures, or other similar assets held for public exhibition, education, or research in furtherance of public service, provide the following amounts relating to these items:

(i) Revenues included in Form 990, Part VIII, line 1 ▶ \$ \_\_\_\_\_

(ii) Assets included in Form 990, Part X ▶ \$ \_\_\_\_\_

2 If the organization received or held works of art, historical treasures, or other similar assets for financial gain, provide the following amounts required to be reported under SFAS 116 (ASC 958) relating to these items:

a Revenues included in Form 990, Part VIII, line 1 ▶ \$ \_\_\_\_\_

b Assets included in Form 990, Part X ▶ \$ \_\_\_\_\_

**THE BETHANY CIRCLE OF KING'S DAUGHTERS'  
OF MADISON, INDIANA, INC.**

Schedule D (Form 990) 2011

35-0895832 Page **2**

**Part III Organizations Maintaining Collections of Art, Historical Treasures, or Other Similar Assets** (continued)

**3** Using the organization's acquisition, accession, and other records, check any of the following that are a significant use of its collection items (check all that apply).

- a** ☐ Public exhibition      **d** ☐ Loan or exchange programs  
**b** ☐ Scholarly research      **e** ☐ Other \_\_\_\_\_  
**c** ☐ Preservation for future generations

**4** Provide a description of the organization's collections and explain how they further the organization's exempt purpose in Part XIV.

**5** During the year, did the organization solicit or receive donations of art, historical treasures, or other similar assets to be sold to raise funds rather than to be maintained as part of the organization's collection? ☐ Yes ☐ No

**Part IV Escrow and Custodial Arrangements.** Complete if the organization answered "Yes" to Form 990, Part IV, line 9, or reported an amount on Form 990, Part X, line 21.

**1a** Is the organization an agent, trustee, custodian or other intermediary for contributions or other assets not included on Form 990, Part X? ☐ Yes ☐ No

**b** If "Yes," explain the arrangement in Part XIV and complete the following table:

	Amount
<b>1c</b>	
<b>1d</b>	
<b>1e</b>	
<b>1f</b>	

- c** Beginning balance  
**d** Additions during the year  
**e** Distributions during the year  
**f** Ending balance

**2a** Did the organization include an amount on Form 990, Part X, line 21? ☐ Yes ☐ No

**b** If "Yes," explain the arrangement in Part XIV

**Part V Endowment Funds.** Complete if the organization answered "Yes" to Form 990, Part IV, line 10

	(a) Current year	(b) Prior year	(c) Two years back	(d) Three years back	(e) Four years back
<b>1a</b> Beginning of year balance	137,154.	127,555.	89,334.	105,321.	
<b>b</b> Contributions	40,020.	62,386.	84,150.	20,051.	
<b>c</b> Net investment earnings, gains, and losses					
<b>d</b> Grants or scholarships					
<b>e</b> Other expenditures for facilities and programs	47,436.	52,787.	45,929.	36,038.	
<b>f</b> Administrative expenses					
<b>g</b> End of year balance	129,738.	137,154.	127,555.	89,334.	

**2** Provide the estimated percentage of the current year end balance (line 1g, column (a)) held as:

- a** Board designated or quasi-endowment ☐ .00 %  
**b** Permanent endowment ☐ 7.71 %  
**c** Temporarily restricted endowment ☐ 92.29 %

The percentages in lines 2a, 2b, and 2c should equal 100%

**3a** Are there endowment funds not in the possession of the organization that are held and administered for the organization by

- (i) unrelated organizations  
(ii) related organizations

	Yes	No
<b>3a(i)</b>		<b>X</b>
<b>3a(ii)</b>		<b>X</b>
<b>3b</b>		

**b** If "Yes" to 3a(ii), are the related organizations listed as required on Schedule R?

**4** Describe in Part XIV the intended uses of the organization's endowment funds.

**Part VI Land, Buildings, and Equipment.** See Form 990, Part X, line 10.

Description of property	(a) Cost or other basis (investment)	(b) Cost or other basis (other)	(c) Accumulated depreciation	(d) Book value
<b>1a</b> Land		5,442,188.		5,442,188.
<b>b</b> Buildings		42,561,734.	27,400,355.	15,161,379.
<b>c</b> Leasehold improvements		57,706.	6,113.	51,593.
<b>d</b> Equipment		38,483,611.	28,370,649.	10,112,962.
<b>e</b> Other		45,306,108.		45,306,108.

**Total.** Add lines 1a through 1e. (Column (d) must equal Form 990, Part X, column (B), line 10(c).) ▶ 76,074,230.

Schedule D (Form 990) 2011

**THE BETHANY CIRCLE OF KING'S DAUGHTERS'  
OF MADISON, INDIANA, INC.**

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**Part VII Investments - Other Securities.** See Form 990, Part X, line 12

(a) Description of security or category (including name of security)	(b) Book value	(c) Method of valuation: Cost or end-of-year market value
(1) Financial derivatives		
(2) Closely-held equity interests		
(3) Other		
(A)		
(B)		
(C)		
(D)		
(E)		
(F)		
(G)		
(H)		
(I)		
<b>Total.</b> (Col (b) must equal Form 990, Part X, col (B) line 12.) ▶		

**Part VIII Investments - Program Related.** See Form 990, Part X, line 13

(a) Description of investment type	(b) Book value	(c) Method of valuation: Cost or end-of-year market value
(1)		
(2)		
(3)		
(4)		
(5)		
(6)		
(7)		
(8)		
(9)		
(10)		
<b>Total.</b> (Col (b) must equal Form 990, Part X, col (B) line 13.) ▶		

**Part IX Other Assets.** See Form 990, Part X, line 15

(a) Description	(b) Book value
(1)	
(2)	
(3)	
(4)	
(5)	
(6)	
(7)	
(8)	
(9)	
(10)	
<b>Total.</b> (Column (b) must equal Form 990, Part X, col (B) line 15.) ▶	

**Part X Other Liabilities.** See Form 990, Part X, line 25

(a) Description of liability	(b) Book value
1. (1) Federal income taxes	
(2) DEFERRED COMPENSATION	993,354.
(3) THIRD PARTY PAYABLE	1,045,638.
(4)	
(5)	
(6)	
(7)	
(8)	
(9)	
(10)	
(11)	
<b>Total.</b> (Column (b) must equal Form 990, Part X, col (B) line 25.) ▶	
	2,038,992.

**2.** FIN 48 (ASC 740) Footnote. In Part XIV, provide the text of the footnote to the organization's financial statements that reports the organization's liability for uncertain tax positions under FIN 48 (ASC 740).

**THE BETHANY CIRCLE OF KING'S DAUGHTERS'  
OF MADISON, INDIANA, INC.**

Schedule D (Form 990) 2011

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**Part XI Reconciliation of Change in Net Assets from Form 990 to Audited Financial Statements**

1	Total revenue (Form 990, Part VIII, column (A), line 12)	1	115,052,334.
2	Total expenses (Form 990, Part IX, column (A), line 25)	2	107,072,511.
3	Excess or (deficit) for the year. Subtract line 2 from line 1	3	7,979,823.
4	Net unrealized gains (losses) on investments	4	<7,432,775.>
5	Donated services and use of facilities	5	
6	Investment expenses	6	
7	Prior period adjustments	7	
8	Other (Describe in Part XIV.)	8	
9	Total adjustments (net). Add lines 4 through 8	9	<7,432,775.>
10	Excess or (deficit) for the year per audited financial statements. Combine lines 3 and 9	10	547,048.

**Part XII Reconciliation of Revenue per Audited Financial Statements With Revenue per Return**

1	Total revenue, gains, and other support per audited financial statements	1	107395686.
2	Amounts included on line 1 but not on Form 990, Part VIII, line 12:		
a	Net unrealized gains on investments	2a	<7,432,775.>
b	Donated services and use of facilities	2b	
c	Recoveries of prior year grants	2c	
d	Other (Describe in Part XIV.)	2d	72,431.
e	Add lines 2a through 2d	2e	<7,360,344.>
3	Subtract line 2e from line 1	3	114756030.
4	Amounts included on Form 990, Part VIII, line 12, but not on line 1:		
a	Investment expenses not included on Form 990, Part VIII, line 7b	4a	279,822.
b	Other (Describe in Part XIV.)	4b	16,482.
c	Add lines 4a and 4b	4c	296,304.
5	Total revenue. Add lines 3 and 4c. (This must equal Form 990, Part I, line 12.)	5	115052334.

**Part XIII Reconciliation of Expenses per Audited Financial Statements With Expenses per Return**

1	Total expenses and losses per audited financial statements	1	106848638.
2	Amounts included on line 1 but not on Form 990, Part IX, line 25:		
a	Donated services and use of facilities	2a	
b	Prior year adjustments	2b	
c	Other losses	2c	
d	Other (Describe in Part XIV.)	2d	72,431.
e	Add lines 2a through 2d	2e	72,431.
3	Subtract line 2e from line 1	3	106776207.
4	Amounts included on Form 990, Part IX, line 25, but not on line 1:		
a	Investment expenses not included on Form 990, Part VIII, line 7b	4a	279,822.
b	Other (Describe in Part XIV.)	4b	16,482.
c	Add lines 4a and 4b	4c	296,304.
5	Total expenses. Add lines 3 and 4c. (This must equal Form 990, Part I, line 18.)	5	107072511.

**Part XIV Supplemental Information**

Complete this part to provide the descriptions required for Part II, lines 3, 5, and 9; Part III, lines 1a and 4; Part IV, lines 1b and 2b; Part V, line 4; Part X, line 2; Part XI, line 8; Part XII, lines 2d and 4b; and Part XIII, lines 2d and 4b. Also complete this part to provide any additional information.

**PART V, LINE 4: PERMANENT ENDOWMENT- INTENT IS TO HOLD THE INVESTMENT**

**IN PERPETUITY. PER AUDITED FINANCIAL STATEMENTS, "THE PORTION OF**

**PERPETUAL ENDOWMENT FUNDS THAT IS REQUIRED TO BE RETAINED PERMANENTLY**

**EITHER BY EXPLICIT DONOR STIPULATION OR UPMIFA" IS \$10,000 AT 12/31/2011.**

**TERM ENDOWMENT- TEMPORARILY RESTRICTED NET ASSETS ARE DONOR-RESTRICTED FOR**

**A SPECIFIC USE INCLUDING: PRENATAL/POSTNATAL EDUCATION PROGRAM FUND,**

**TOBACCO SETTLEMENT FUND, TEEN EVENT FUND, GIRLS ON THE RUN FUND, AND MAY**



**Part XIV** Supplemental Information (continued)

LIBRARY FUND.

PART X, LINE 2: ACCOUNTING PRINCIPLES GENERALLY ACCEPTED IN THE UNITED STATES OF AMERICA REQUIRE MANAGEMENT TO EVALUATE TAX POSITIONS TAKEN BY THE HOSPITAL AND RECOGNIZE A TAX LIABILITY IF THE HOSPITAL HAS TAKEN AN UNCERTAIN TAX POSITION THAT MORE LIKELY THAN NOT WOULD NOT BE SUSTAINED UPON EXAMINATION BY VARIOUS FEDERAL AND STATE TAXING AUTHORITIES. MANAGEMENT HAS ANALYZED THE TAX POSITIONS TAKEN BY THE HOSPITAL, AND HAS CONCLUDED THAT AS OF DECEMBER 31, 2011 AND 2010, THERE ARE NO UNCERTAIN POSITIONS TAKEN OR EXPECTED TO BE TAKEN THAT WOULD REQUIRE RECOGNITION OF A LIABILITY OR DISCLOSURE IN THE ACCOMPANYING CONSOLIDATED FINANCIAL STATEMENTS. THE HOSPITAL IS SUBJECT TO ROUTINE AUDITS BY TAXING JURISDICTIONS; HOWEVER, THERE ARE CURRENTLY NO AUDITS FOR ANY TAX PERIODS IN PROGRESS.

## PART XII, LINE 2D - OTHER ADJUSTMENTS:

RENTAL EXPENSES	72,431.
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## PART XII, LINE 4B - OTHER ADJUSTMENTS:

GRANTS	16,482.
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## PART XIII, LINE 2D - OTHER ADJUSTMENTS:

RENTAL EXPENSES	72,431.
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## PART XIII, LINE 4B - OTHER ADJUSTMENTS:

GRANTS	16,482.
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**SCHEDULE H**  
**(Form 990)**

Department of the Treasury  
Internal Revenue Service

**Hospitals**

► **Complete if the organization answered "Yes" to Form 990, Part IV, question 20.**  
► **Attach to Form 990. ► See separate instructions.**

OMB No 1545-0047

**2011**

**Open to Public Inspection**

Name of the organization **THE BETHANY CIRCLE OF KING'S DAUGHTERS' OF MADISON, INDIANA, INC.** Employer identification number **35-0895832**

**Part I Financial Assistance and Certain Other Community Benefits at Cost**

- 1a** Did the organization have a financial assistance policy during the tax year? If "No," skip to question 6a
- b** If "Yes," was it a written policy?  
If the organization had multiple hospital facilities, indicate which of the following best describes application of the financial assistance policy to its various hospital facilities during the tax year
- ☐ Applied uniformly to all hospital facilities ☐ Applied uniformly to most hospital facilities  
☐ Generally tailored to individual hospital facilities
- 3** Answer the following based on the financial assistance eligibility criteria that applied to the largest number of the organization's patients during the tax year
- a** Did the organization use Federal Poverty Guidelines (FPG) to determine eligibility for providing *free* care? If "Yes," indicate which of the following was the FPG family income limit for eligibility for free care:  
☐ 100% ☒ 150% ☐ 200% ☐ Other \_\_\_\_\_ %
- b** Did the organization use FPG to determine eligibility for providing *discounted* care? If "Yes," indicate which of the following was the family income limit for eligibility for discounted care:  
☐ 200% ☐ 250% ☐ 300% ☐ 350% ☐ 400% ☒ Other \_\_\_\_\_ %
- c** If the organization did not use FPG to determine eligibility, describe in Part VI the income based criteria for determining eligibility for free or discounted care. Include in the description whether the organization used an asset test or other threshold, regardless of income, to determine eligibility for free or discounted care.
- 4** Did the organization's financial assistance policy that applied to the largest number of its patients during the tax year provide for free or discounted care to the "medically indigent"?
- 5a** Did the organization budget amounts for free or discounted care provided under its financial assistance policy during the tax year?
- b** If "Yes," did the organization's financial assistance expenses exceed the budgeted amount?
- c** If "Yes" to line 5b, as a result of budget considerations, was the organization unable to provide free or discounted care to a patient who was eligible for free or discounted care?
- 6a** Did the organization prepare a community benefit report during the tax year?
- b** If "Yes," did the organization make it available to the public?

	Yes	No
<b>1a</b>	X	
<b>1b</b>	X	
<b>3a</b>	X	
<b>3b</b>	X	
<b>4</b>	X	
<b>5a</b>	X	
<b>5b</b>		X
<b>5c</b>		
<b>6a</b>	X	
<b>6b</b>	X	

Complete the following table using the worksheets provided in the Schedule H instructions. Do not submit these worksheets with the Schedule H.

<b>7 Financial Assistance and Certain Other Community Benefits at Cost</b>						
<b>Financial Assistance and Means-Tested Government Programs</b>	<b>(a) Number of activities or programs (optional)</b>	<b>(b) Persons served (optional)</b>	<b>(c) Total community benefit expense</b>	<b>(d) Direct offsetting revenue</b>	<b>(e) Net community benefit expense</b>	<b>(f) Percent of total expense</b>
<b>a</b> Financial Assistance at cost (from Worksheet 1)			1,196,082.		1,196,082.	1.28%
<b>b</b> Medicaid (from Worksheet 3, column a)			12,342,921.	3,282,357.	9,060,564.	9.72%
<b>c</b> Costs of other means-tested government programs (from Worksheet 3, column b)						
<b>d Total</b> Financial Assistance and Means-Tested Government Programs			13,539,003.	3,282,357.	10,256,646.	11.00%
<b>Other Benefits</b>						
<b>e</b> Community health improvement services and community benefit operations (from Worksheet 4)		1,620	165,021.	495.	164,526.	.18%
<b>f</b> Health professions education (from Worksheet 5)		149	203,579.	37,282.	166,297.	.18%
<b>g</b> Subsidized health services (from Worksheet 6)		5,136	4,989,784.	3,981,676.	1,008,108.	1.08%
<b>h</b> Research (from Worksheet 7)						
<b>i</b> Cash and in-kind contributions for community benefit (from Worksheet 8)			77,488.		77,488.	.08%
<b>j Total.</b> Other Benefits		6,905	5,435,872.	4,019,453.	1,416,419.	1.52%
<b>k Total.</b> Add lines 7d and 7j		6,905	18,974,875.	7,301,810.	11,673,065.	12.52%





**THE BETHANY CIRCLE OF KING'S DAUGHTERS'  
OF MADISON, INDIANA, INC.**

Schedule H (Form 990) 2011

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**Part V Facility Information** (continued)

**Section B. Facility Policies and Practices**

(Complete a separate Section B for each of the hospital facilities listed in Part V, Section A)

**Name of Hospital Facility:** KING'S DAUGHTERS' HOSPITAL & HEALTH SERV

**Line Number of Hospital Facility (from Schedule H, Part V, Section A):** 1

	Yes	No
<b>Community Health Needs Assessment</b> (Lines 1 through 7 are optional for tax year 2011)		
1 During the tax year or any prior tax year, did the hospital facility conduct a community health needs assessment (Needs Assessment)? If "No," skip to line 8	1	X
If "Yes," indicate what the Needs Assessment describes (check all that apply):		
a <input checked="" type="checkbox"/> A definition of the community served by the hospital facility		
b <input checked="" type="checkbox"/> Demographics of the community		
c <input checked="" type="checkbox"/> Existing health care facilities and resources within the community that are available to respond to the health needs of the community		
d <input checked="" type="checkbox"/> How data was obtained		
e <input checked="" type="checkbox"/> The health needs of the community		
f <input checked="" type="checkbox"/> Primary and chronic disease needs and other health issues of uninsured persons, low-income persons, and minority groups		
g <input checked="" type="checkbox"/> The process for identifying and prioritizing community health needs and services to meet the community health needs		
h <input checked="" type="checkbox"/> The process for consulting with persons representing the community's interests		
i <input checked="" type="checkbox"/> Information gaps that limit the hospital facility's ability to assess the community's health needs		
j <input checked="" type="checkbox"/> Other (describe in Part VI)		
2 Indicate the tax year the hospital facility last conducted a Needs Assessment: 20 <u>10</u>		
3 In conducting its most recent Needs Assessment, did the hospital facility take into account input from persons who represent the community served by the hospital facility? If "Yes," describe in Part VI how the hospital facility took into account input from persons who represent the community, and identify the persons the hospital facility consulted	3	X
4 Was the hospital facility's Needs Assessment conducted with one or more other hospital facilities? If "Yes," list the other hospital facilities in Part VI	4	X
5 Did the hospital facility make its Needs Assessment widely available to the public?	5	X
If "Yes," indicate how the Needs Assessment was made widely available (check all that apply):		
a <input checked="" type="checkbox"/> Hospital facility's website		
b <input checked="" type="checkbox"/> Available upon request from the hospital facility		
c <input checked="" type="checkbox"/> Other (describe in Part VI)		
6 If the hospital facility addressed needs identified in its most recently conducted Needs Assessment, indicate how (check all that apply):		
a <input checked="" type="checkbox"/> Adoption of an implementation strategy to address the health needs of the hospital facility's community		
b <input checked="" type="checkbox"/> Execution of the implementation strategy		
c <input type="checkbox"/> Participation in the development of a community-wide community benefit plan		
d <input type="checkbox"/> Participation in the execution of a community-wide community benefit plan		
e <input type="checkbox"/> Inclusion of a community benefit section in operational plans		
f <input type="checkbox"/> Adoption of a budget for provision of services that address the needs identified in the Needs Assessment		
g <input checked="" type="checkbox"/> Prioritization of health needs in its community		
h <input checked="" type="checkbox"/> Prioritization of services that the hospital facility will undertake to meet health needs in its community		
i <input type="checkbox"/> Other (describe in Part VI)		
7 Did the hospital facility address all of the needs identified in its most recently conducted Needs Assessment? If "No," explain in Part VI which needs it has not addressed and the reasons why it has not addressed such needs	7	X
<b>Financial Assistance Policy</b>		
Did the hospital facility have in place during the tax year a written financial assistance policy that:		
8 Explained eligibility criteria for financial assistance, and whether such assistance includes free or discounted care?	8	X
9 Used federal poverty guidelines (FPG) to determine eligibility for providing free care?	9	X
If "Yes," indicate the FPG family income limit for eligibility for free care: <u>150</u> %		
If "No," explain in Part VI the criteria the hospital facility used.		

**THE BETHANY CIRCLE OF KING'S DAUGHTERS'  
OF MADISON, INDIANA, INC.**

Schedule H (Form 990) 2011

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**Part V Facility Information** (continued) **KING'S DAUGHTERS' HOSPITAL & HEALTH SERV**

	Yes	No
<b>10</b> Used FPG to determine eligibility for providing <i>discounted care</i> ? If "Yes," indicate the FPG family income limit for eligibility for discounted care: <u>250</u> % If "No," explain in Part VI the criteria the hospital facility used.	<b>X</b>	
<b>11</b> Explained the basis for calculating amounts charged to patients? If "Yes," indicate the factors used in determining such amounts (check all that apply): a <input checked="" type="checkbox"/> Income level b <input checked="" type="checkbox"/> Asset level c <input checked="" type="checkbox"/> Medical indigency d <input checked="" type="checkbox"/> Insurance status e <input checked="" type="checkbox"/> Uninsured discount f <input checked="" type="checkbox"/> Medicaid/Medicare g <input type="checkbox"/> State regulation h <input type="checkbox"/> Other (describe in Part VI)	<b>X</b>	
<b>12</b> Explained the method for applying for financial assistance?	<b>X</b>	
<b>13</b> Included measures to publicize the policy within the community served by the hospital facility? If "Yes," indicate how the hospital facility publicized the policy (check all that apply): a <input checked="" type="checkbox"/> The policy was posted on the hospital facility's website b <input type="checkbox"/> The policy was attached to billing invoices c <input type="checkbox"/> The policy was posted in the hospital facility's emergency rooms or waiting rooms d <input type="checkbox"/> The policy was posted in the hospital facility's admissions offices e <input checked="" type="checkbox"/> The policy was provided, in writing, to patients on admission to the hospital facility f <input checked="" type="checkbox"/> The policy was available on request g <input type="checkbox"/> Other (describe in Part VI)	<b>X</b>	
<b>Billing and Collections</b>		
<b>14</b> Did the hospital facility have in place during the tax year a separate billing and collections policy, or a written financial assistance policy (FAP) that explained actions the hospital facility may take upon non-payment?	<b>X</b>	
<b>15</b> Check all of the following actions against an individual that were permitted under the hospital facility's policies during the tax year before making reasonable efforts to determine patient's eligibility under the facility's FAP: a <input checked="" type="checkbox"/> Reporting to credit agency b <input checked="" type="checkbox"/> Lawsuits c <input checked="" type="checkbox"/> Liens on residences d <input type="checkbox"/> Body attachments e <input type="checkbox"/> Other similar actions (describe in Part VI)		
<b>16</b> Did the hospital facility or an authorized third party perform any of the following actions during the tax year before making reasonable efforts to determine the patient's eligibility under the facility's FAP? If "Yes," check all actions in which the hospital facility or a third party engaged: a <input checked="" type="checkbox"/> Reporting to credit agency b <input checked="" type="checkbox"/> Lawsuits c <input checked="" type="checkbox"/> Liens on residences d <input type="checkbox"/> Body attachments e <input type="checkbox"/> Other similar actions (describe in Part VI)	<b>X</b>	
<b>17</b> Indicate which efforts the hospital facility made before initiating any of the actions checked in line 16 (check all that apply): a <input checked="" type="checkbox"/> Notified patients of the financial assistance policy on admission b <input type="checkbox"/> Notified patients of the financial assistance policy prior to discharge c <input checked="" type="checkbox"/> Notified patients of the financial assistance policy in communications with the patients regarding the patients' bills d <input checked="" type="checkbox"/> Documented its determination of whether patients were eligible for financial assistance under the hospital facility's financial assistance policy e <input checked="" type="checkbox"/> Other (describe in Part VI)		

**Part V Facility Information** (continued) **KING'S DAUGHTERS' HOSPITAL & HEALTH SERV****Policy Relating to Emergency Medical Care**

- 18** Did the hospital facility have in place during the tax year a written policy relating to emergency medical care that requires the hospital facility to provide, without discrimination, care for emergency medical conditions to individuals regardless of their eligibility under the hospital facility's financial assistance policy?

	Yes	No
<b>18</b>	<b>X</b>	

If "No," indicate why:

- a** ☐ The hospital facility did not provide care for any emergency medical conditions
- b** ☐ The hospital facility's policy was not in writing
- c** ☐ The hospital facility limited who was eligible to receive care for emergency medical conditions (describe in Part VI)
- d** ☐ Other (describe in Part VI)

**Individuals Eligible for Financial Assistance**

- 19** Indicate how the hospital facility determined, during the tax year, the maximum amounts that can be charged to FAP-eligible individuals for emergency or other medically necessary care.

- a** ☐ The hospital facility used its lowest negotiated commercial insurance rate when calculating the maximum amounts that can be charged
- b** ☐ The hospital facility used the average of its three lowest negotiated commercial insurance rates when calculating the maximum amounts that can be charged
- c** ☐ The hospital facility used the Medicare rates when calculating the maximum amounts that can be charged
- d** ☒ Other (describe in Part VI)

- 20** Did the hospital facility charge any of its patients who were eligible for assistance under the hospital facility's financial assistance policy, and to whom the hospital facility provided emergency or other medically necessary services, more than the amounts generally billed to individuals who had insurance covering such care?

If "Yes," explain in Part VI.

- 21** Did the hospital facility charge any of its FAP-eligible patients an amount equal to the gross charge for any service provided to that patient?

If "Yes," explain in Part VI

<b>20</b>		<b>X</b>
<b>21</b>		<b>X</b>

**THE BETHANY CIRCLE OF KING'S DAUGHTERS'  
OF MADISON, INDIANA, INC.**

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**Part V Facility Information** (continued)

**Section C. Other Health Care Facilities That Are Not Licensed, Registered, or Similarly Recognized as a Hospital Facility**

(list in order of size, from largest to smallest)

How many non-hospital health care facilities did the organization operate during the tax year? 10

Name and address	Type of Facility (describe)
1 REHABILITATION CENTER AND HOME CARE 2670 N MICHIGAN ROAD MADISON, IN 47043	PHYSICIAN MEDICAL OFFICE
2 HILLTOP CLINIC 445 CLIFTY DRIVE MADISON, IN 47250	PHYSICIAN MEDICAL OFFICE
3 VERSAILLES CLINIC - MAIN STREET 128 NORTH MAIN STREET VERSAILLES, IN 47042	PHYSICIAN MEDICAL OFFICE
4 KING'S DAUGHTER'S MEDICAL BUILDING 206 W TYSON STREET VERSAILLES, IN 47042	PHYSICIAN MEDICAL OFFICE
5 TRIMBLE COUNTY MEDICAL BUILDING 10235 US HIGHWAY 421 MILTON, KY 40045	PHYSICIAN MEDICAL OFFICE
6 RIVERBOURNE MEDICAL CENTER 205 MARWILL DRIVE CARROLLTON, KY 41008	PHYSICIAN MEDICAL OFFICE
7 SWITZERLAND COUNTY MEDICAL BUILDING 745 WEST HIGHWAY 56 VEVAY, IN 47043	PHYSICIAN MEDICAL OFFICE
8 HANOVER CLINIC 36 MEDICAL PLAZA HANOVER, IN 47243	PHYSICIAN MEDICAL OFFICE
9 VEVAY CLINIC 213 WEST MAIN STREET VEVAY, IN 47043	PHYSICIAN MEDICAL OFFICE
10 CONVENIENT CARE CENTER 443 EAST CLIFTY DRIVE MADISON, IN 47043	PHYSICIAN MEDICAL OFFICE



**Part VI Supplemental Information**

Complete this part to provide the following information

- 1 Required descriptions.** Provide the descriptions required for Part I, lines 3c, 6a, and 7, Part II; Part III, lines 4, 8, and 9b; and Part V, Section B, lines 1j, 3, 4, 5c, 6i, 7, 9, 10, 11h, 13g, 15e, 16e, 17e, 18d, 19d, 20, and 21.
- 2 Needs assessment.** Describe how the organization assesses the health care needs of the communities it serves, in addition to any needs assessments reported in Part V, Section B.
- 3 Patient education of eligibility for assistance.** Describe how the organization informs and educates patients and persons who may be billed for patient care about their eligibility for assistance under federal, state, or local government programs or under the organization's financial assistance policy.
- 4 Community information.** Describe the community the organization serves, taking into account the geographic area and demographic constituents it serves.
- 5 Promotion of community health.** Provide any other information important to describing how the organization's hospital facilities or other health care facilities further its exempt purpose by promoting the health of the community (e.g., open medical staff, community board, use of surplus funds, etc.)
- 6 Affiliated health care system.** If the organization is part of an affiliated health care system, describe the respective roles of the organization and its affiliates in promoting the health of the communities served.
- 7 State filing of community benefit report.** If applicable, identify all states with which the organization, or a related organization, files a community benefit report.

**PART I, LINE 3C: THE HOSPITAL USES A SLIDING FEE SCALE ARRANGEMENT TO PROVIDE DISCOUNTED CARE TO LOW INCOME INDIVIDUALS. THE SCALE IS AS FOLLOWS:**

INCOME EQUAL TO 0-150% OF FPG = 100% WRITEOFF

INCOME EQUAL TO 151-175% OF FPG = 80% WRITEOFF

INCOME EQUAL TO 176-200% OF FPG = 60% WRITEOFF

INCOME EQUAL TO 201-225% OF FPG = 40% WRITEOFF

INCOME EQUAL TO 226-250% OF FPG = 20% WRITEOFF

**PART I, LINE 7, COLUMN (F): THE BAD DEBT EXPENSE INCLUDED ON FORM 990, PART IX, LINE 25, COLUMN (A), BUT SUBTRACTED FOR PURPOSES OF CALCULATING THE PERCENTAGE IN THIS COLUMN IS \$ 13857055.**

**PART II: COMMUNITY BUILDING ACTIVITIES PROMOTED THE HEALTH OF THE COMMUNITY IN THE FOLLOWING WAYS:**

(1) PROVIDING CPR AND FIRST AID CLASSES FOR THE COMMUNITY MEMBERS

(2) PROVIDING CPR CLASSES FOR STUDENTS IN LOCAL SCHOOLS

(3) PROMOTING HEALTHCARE CAREERS TO POTENTIAL FUTURE EMPLOYEES THROUGH

CAREER DAYS AT LOCAL SCHOOLS AND CAREER NIGHTS AT LOCAL COLLEGES

(4) ASSISTING COMMUNITY MEMBERS WITH MEDICAID PROGRAM ENROLLMENT OF FORMAL MEDICAID ENROLLMENT ASSISTANCE PROGRAM OFFERED BY KDHHS TO HELP COMMUNITY MEMBERS ENROLL TO RECEIVE ALL TYPES OF MEDICAID ASSISTANCE (HEALTHCARE, FOOD, ETC.)

PART III, LINE 4: PATIENT ACCOUNTS RECEIVABLE AND NET PATIENT SERVICE REVENUE - THE HOSPITAL HAS AGREEMENTS WITH THIRD-PARTY PAYORS THAT PROVIDE FOR PAYMENTS TO THE HOSPITAL AT AMOUNTS DIFFERENT FROM ITS ESTABLISHED RATES. PAYMENT ARRANGEMENTS INCLUDE PROSPECTIVELY DETERMINED RATES PER DISCHARGE, REIMBURSED COSTS, DISCOUNTED CHARGES, AND FEE SCHEDULE PAYMENTS. PATIENT ACCOUNTS RECEIVABLE AND NET PATIENT SERVICE REVENUE ARE REPORTED AT THE ESTIMATED NET REALIZABLE AMOUNTS FROM PATIENTS, THIRD-PARTY PAYORS, AND OTHERS FOR SERVICES RENDERED, INCLUDING ESTIMATED RETROACTIVE ADJUSTMENTS UNDER REIMBURSEMENT AGREEMENTS WITH THIRD-PARTY PAYORS. RETROACTIVE ADJUSTMENTS ARE ACCRUED ON AN ESTIMATED BASIS IN THE PERIOD AND THE RELATED SERVICES ARE RENDERED AND ADJUSTED IN FUTURE PERIODS AS FINAL SETTLEMENTS ARE DETERMINED.

ALLOWANCES FOR PATIENT UNCOLLECTIBLE ACCOUNTS - THE HOSPITAL ESTIMATES AN ALLOWANCE FOR UNCOLLECTIBLE PATIENT ACCOUNTS RECEIVABLE BASED ON AN EVALUATION OF THE AGING OF THE ACCOUNTS, HISTORICAL LOSSES, CURRENT ECONOMIC CONDITIONS, AND OTHER FACTORS UNIQUE TO ITS SERVICE AREA AND THE HEALTHCARE INDUSTRY.

THE COSTING METHODOLOGY USED TO DETERMINE THE AMOUNTS REPORTED ON LINE 2 IS APPLICATION OF THE COST-TO-CHARGE RATIO (AS COMPUTED PER WORKSHEET 2 IN 990 INSTRUCTIONS).

THE HOSPITAL HAS A DETAILED FINANCIAL ASSISTANCE POLICY WHICH STATES THAT TO PARTICIPATE IN CHARITY CARE, CANDIDATES MUST COOPERATE FULLY. IN ADDITION, THE HOSPITAL EDUCATES PATIENTS WITH LIMITED ABILITY TO PAY REGARDING FINANCIAL ASSISTANCE. FOR THESE REASONS, THE HOSPITAL BELIEVES THAT IT ACCURATELY CAPTURES ALL CHARITY CARE DEDUCTIONS PROVIDED ACCORDING TO THE FINANCIAL ASSISTANCE POLICY, AND THE AMOUNT OF BAD DEBT ATTRIBUTABLE TO PATIENTS ELIGIBLE UNDER THE ORGANIZATION'S CHARITY CARE POLICY IS NEGLIGIBLE.

PART III, LINE 8: THE HOSPITAL DETERMINED AMOUNTS FROM DATA SUBMITTED IN ITS 2011 MEDICARE COST REPORT.

PART III, LINE 9B: ALL UNINSURED PATIENTS RECEIVE AN AUTOMATIC 20% DISCOUNT FROM GROSS CHARGES. IF THE PATIENT IS KNOWN TO QUALIFY FOR FINANCIAL ASSISTANCE AND IS APPROVED FOR FINANCIAL ASSISTANCE, THE PATIENT WILL RECEIVE ANOTHER DISCOUNT (100%, 80%, 60%, OR 20%), DEPENDING ON FAMILY INCOME, ON THE OUTSTANDING ACCOUNT BALANCE. THE HOSPITAL WILL ATTEMPT TO COLLECT ANY BALANCE REMAINING ON THE UNINSURED ACCOUNT AFTER ALL FINANCIAL ASSISTANCE DISCOUNTS HAVE BEEN APPLIED USING A SERIES OF STATEMENTS, LETTERS, AND TELEPHONE CALLS. THE HOSPITAL WILL ALSO OFFER PATIENTS INTEREST-FREE EXTENDED PAYMENT PLANS. IF THE ACCOUNT REMAINS UNPAID, THE ACCOUNT MAY BE TURNED OVER TO A COLLECTION AGENCY.

KING'S DAUGHTERS' HOSPITAL & HEALTH SERV:

PART V, SECTION B, LINE 1J: THE NEEDS ASSESSMENT PERFORMED BY THE HOSPITAL ALSO EXPLORED KEY ISSUES SUCH AS:

PHYSICAL ACTIVITY, OVERWEIGHT AND OBESITY, TOBACCO USE, SUBSTANCE

Part VI Supplemental Information

ABUSE/GAMBLING/ADDICTIONS, RESPONSIBLE SEXUAL BEHAVIOR, MENTAL HEALTH, INJURY AND VIOLENCE (INCLUDING DOMESTIC VIOLENCE AND SEXUAL ASSAULT), ENVIRONMENTAL QUALITY, IMMUNIZATION, ACCESS TO HEALTH CARE FOR THE INSURED AND UNINSURED, MATERNAL AND CHILD HEALTH, INFECTIOUS DISEASE, OCCUPATIONAL AND SAFETY HEALTH, SPECIAL NEEDS/DISABLED/IMPAIRED, AND CHRONIC DISEASE.

KING'S DAUGHTERS' HOSPITAL & HEALTH SERV:

PART V, SECTION B, LINE 3: THE FACILITY TOOK INTO ACCOUNT INPUT FROM PERSONS IN THE COMMUNITY BY UTILIZING THE FOLLOWING COMPONENTS:

- ANALYSIS OF SECONDARY DATA TO DEVELOP A PROFILE OF THE RESIDENTS OF EACH COUNTY AND TO INDICATE, WHERE POSSIBLE FUTURE TRENDS AND TO SHOW COMPARISONS WITH STATE AND NATIONAL DATA;
- IN-PERSON INTERVIEWS WITH 30 KEY LEADERS WITHIN KDHHS INCLUDING BOARD, STAFF AND MEDICAL STAFF;
- IN-DEPTH-INTERVIEWS BY TELEPHONE OR IN-PERSON WITH 32 COMMUNITY LEADERS INCLUDING GOVERNMENT, MEDICAL, EDUCATION, AND OTHER COMMUNITY LEADERSHIP POSITIONS IN ALL FIVE COUNTIES;
- IN-PERSON SURVEYS OF 72 INDIVIDUALS IN LOW INCOME LOCATIONS;
- IN-PERSON DISCUSSIONS WITH 23 SENIOR CITIZENS;
- A WEB-BASED SURVEY OPEN TO THE GENERAL PUBLIC WHICH RESULTED IN 61 COMPLETED INTERVIEWS.

THIS ASSESSMENT ALLOWED ALL INDIVIDUALS TO PROVIDE RESPONSES ON ANY COMMUNITY NEEDS NOT LISTED IN THE QUESTIONS AND ALLOWED INDIVIDUALS TO MAKE COMMENTS ON COMMUNITY HEALTH ISSUES ON WHICH KDHHS COULD HAVE AN IMPACT.

**Part VI** Supplemental Information

KING'S DAUGHTERS' HOSPITAL & HEALTH SERV:

PART V, SECTION B, LINE 5C: RESULTS OF THE NEEDS ASSESSMENT HAVE BEEN MADE AVAILABLE THROUGH A VARIETY OF SOURCES: NEWSPAPER AND RADIO RELEASES, DISTRIBUTION OF INFORMATION IN THE COMMUNITY NEWSLETTER, THE VITAL SIGNS, THROUGH PUBLIC HEALTH FORUMS AND IS ALSO AVAILABLE ON OUR WEB SITE.

KING'S DAUGHTERS' HOSPITAL & HEALTH SERV:

PART V, SECTION B, LINE 7: AS A RESULT OF THE 2010 COMMUNITY NEEDS ASSESSMENT, KDHHS WAS ABLE TO IDENTIFY 'GAPS' WHICH EXIST BETWEEN THE HOSPITAL'S COMMUNITY INVOLVEMENT AND THE UNFULFILLED NEEDS OF THE COMMUNITY WHICH IT SERVES. THESE NEEDS WERE IDENTIFIED VIA INQUIRIES OF COMMUNITY MEMBERS WHICH ARE DETAILED AT PART V LINE 3. THE EXAMPLES OF THESE ARE AS FOLLOWS:

- THERE DO NOT APPEAR TO BE LARGE GAPS IN THE TOPICS OR TYPES OF COMMUNITY OUTREACH PROGRAMS THAT KDHHS HAS CONDUCTED IN THE PAST. HOWEVER, THERE MAY BE GAPS DUE TO FUNDING LEVELS OR STAFFING LEVELS IN THE NUMBER OF PROGRAMS AND THE GEOGRAPHIC REACH OF THE PROGRAMS THAT HAVE BEEN OFFERED. IN 2011 IT BECAME NECESSARY TO ELIMINATE SOME OUTREACH PROGRAMS DUE TO FINANCIAL CONSIDERATIONS.

- SOME INDIVIDUALS ALSO EXPRESSED THE IDEA THAT RESIDENTS IN THE COMMUNITY SERVED BY KDHHS MAY NOT BE AWARE OF THE EXISTING PROGRAMS AND SERVICES OFFERED AND MAY NOT BE AWARE OF THE LEVEL OF EXPERTISE OF THE STAFF. THESE ARE IDEAS THAT COULD BE ADDRESSED IN A STRATEGIC, WELL-PLANNED, LONG-TERM PUBLIC RELATIONS CAMPAIGN. FINANCIAL CONSTRAINTS HAVE ENCOURAGED US TO

**Part VI** Supplemental Information

INCREASE AWARENESS OF PROGRAMS AND SERVICES THROUGH EXISTING RESOURCES  
SUCH AS THE QUARTERLY NEWSLETTER.

- THE GAPS IN THE CURRENT MEDICAL SERVICE LINES AND THE MEDICAL  
SPECIALTIES DESIRED ARE WORTH EXPLORING. HOWEVER, THIS ANALYSIS FOCUSES  
ONLY ON EXPRESSED NEEDS AND DOES NOT CONTAIN PATIENT PROJECTION  
INFORMATION OR FINANCIAL ANALYSIS FOR A BUSINESS CASE ANALYSIS. THE  
FOLLOWING ADDITIONS OCCURRED IN A VARIETY OF MEDICAL SPECIALTY SERVICES IN  
2011: ADDITION OF NEUROLOGY SERVICES IN MADISON, THE EXPANSION OF  
NEPHROLOGY SERVICES IN MADISON, THE EXTENSION OF OFFICE HOURS IN SOME  
PHYSICIAN PRACTICES, AND THE EXPANSION OF LABORATORY AND IMAGING SERVICES  
IN OUR CONVENIENT CARE CENTER. THESE CHANGES HAVE HELPED US MEET THE  
NEEDS OF THE AREAS WE SERVE.

- SEVERAL OF THE TOP MAJOR COMMUNITY HEALTH CONCERNS INVOLVE ADDRESSING  
THE FREQUENTLY INTER-RELATED ISSUES OF OBESITY, LACK OF PHYSICAL ACTIVITY,  
AND SMOKING. THESE HEALTH ISSUES LEAD TO CHRONIC DISEASE AND HAVE AN  
IMPACT ON PATIENTS SERVED BY KDHHS FACILITIES. THE MAJORITY OF COMMUNITY  
LEADERS EXPECT KDHHS TO TAKE A LEADERSHIP ROLE IN ADDRESSING OVERWEIGHT  
AND OBESITY AND TOBACCO USE. THOSE IN OUTLYING COUNTIES HAVE ASKED THAT  
CURRENT KDHHS PROGRAMS AVAILABLE IN JEFFERSON COUNTY BE OFFERED IN THEIR  
OWN COUNTIES OR AT A MINIMUM THAT THE JEFFERSON COUNTY PROGRAMS BE  
PROMOTED TO CITIZENS IN THESE OTHER COUNTIES FOR THEIR POTENTIAL  
ATTENDANCE.

1. KDHHS SHOULD CONSIDER WAYS IN WHICH IT CAN SET AN EXAMPLE AT ITS OWN  
FACILITIES FOR THE COMMUNITY; TOBACCO-FREE CAMPUS, HEALTHY FOOD OFFERINGS  
IN ITS CAFETERIA, WELLNESS PROGRAM. AT THE END OF 2011 A POSITION WAS  
ADDED TO SPECIFICALLY REACH OUT TO EMPLOYEES OF KDH AND OTHER AREA

**Part VI** Supplemental Information

EMPLOYERS. THIS WAS DONE IN AN EFFORT TO "LEAD THE WAY" IN TERMS OF  
EMPLOYEE HEALTH AND WELLNESS. OUR CAMPUS REMAINED TOBACCO-FREE IN 2011.

2. IT SHOULD CONSIDER ASKING FOR GRANTS TO OFFER COMMUNITY OUTREACH  
PROGRAMS TO EDUCATE INDIVIDUALS ON TOPICS SUCH AS NUTRITION, HEALTHY  
WEIGHT, HEALTHY EATING, AND EXERCISE. IN 2011 SEVERAL GRANTS WERE OBTAINED  
TO ADDRESS COMMUNITY HEALTH AND WELLNESS. EX: TPPC: TOBACCO PREVENTION  
GRANTS FOR JEFFERSON, SWITZERLAND, AND DEARBORN COUNTIES IN INDIANA.

- SUBSTANCE ABUSE - PARTICULARLY NARCOTIC AND PRESCRIPTION DRUGS, WAS  
ANOTHER TOP MAJOR HEALTH NEED CITED BY ALL GROUPS INTERVIEWED. IT IS  
PREVALENT IN ALL COUNTIES SERVED BY KDHHS.

1. THE LACK OF SUBSTANCE TREATMENT CENTERS AND MENTAL CARE FACILITIES TO  
REFER THESE TYPES OF PATIENTS TO IS A MAJOR CONCERN. KDH DOES NOT HAVE  
SUBSTANCE ABUSE TREATMENT CENTERS OR MENTAL HEALTH CENTERS. WE WORK  
CLOSELY WITH THE LOCAL COALITION AGAINST SUBSTANCE ABUSE TO HELP ADDRESS  
THIS COMMUNITY PROBLEM. WE HAVE INCREASED PARTICIPATION OF HEALTHCARE  
PROVIDERS IN THIS ACTIVE COALITION, AND ARE BEGINNING TO INVESTIGATE HOW  
WE CAN HELP MOTHERS AND BABIES WHO DELIVER AT KDH DEAL WITH THIS ISSUE.

2. MANY INTERVIEWED FELT THE PUBLIC NEEDS TO BE AWARE OF HOW MUCH OF AN  
ISSUE SUBSTANCE ABUSE IS IN THE COMMUNITY I.E. AMOUNT OF BABIES BORN  
ADDICTED TO METH/DETOXIFICATION REQUIRED. THE CURRENT INCREASED  
PARTICIPATION IN OUR LOCAL COALITION AGAINST SUBSTANCE ABUSE, (CASA) WILL  
ENABLE US TO REACH OUT TO THE COMMUNITY TO ADDRESS THIS CONCERN.

3. THE NEED FOR FURTHER DRUG EDUCATION IN THE SCHOOLS FROM ELEMENTARY ON  
UP WAS MENTIONED NUMEROUS TIMES. CURRENTLY THE DARE PROGRAM IS BEING  
TAUGHT IN JEFFERSON COUNTY IN THE ELEMENTARY SCHOOLS. THE LIFESKILLS  
PROGRAM IS ALSO BEING TAUGHT AT THE MIDDLE SCHOOL LEVEL.

4. BETTER COMMUNICATION BETWEEN KDHHS AND THE LOCAL LEGAL SYSTEM IS

**Part VI** Supplemental Information

NEEDED. DOCUMENTATION OF OVERDOSE CASES IN THE ER WITH STATISTICS OF THE TYPES OF DRUGS CAUSING THE OVERDOSE (STREET VERSUS PRESCRIPTION) IS THE TYPE OF INFORMATION HELPFUL TO THE LEGAL SYSTEM. KDHHS PHYSICIANS MENTIONED THAT THEY WOULD LIKE TO KNOW FROM THE LEGAL SYSTEM WHEN ONE OF THE DRUGS THEY PRESCRIBED IS INVOLVED IN A CASE. WE CURRENTLY HAVE PHYSICIANS AND LAW ENFORCEMENT OFFICERS WORKING TOGETHER TO ADDRESS THIS ISSUE THROUGH THE LOCAL DRUG COALITION, (CASA).

5. THERE IS A NEED FOR A QUARTERLY PRESCRIPTION DRUG DISPOSAL PROGRAM WHERE SUCH DRUGS CAN BE DISPOSED WITH NO QUESTIONS ASKED. A SITE IS CURRENTLY BEING DEVELOPED FOR SAFE PRESCRIPTION DRUG DISPOSAL. IT SHOULD BE IN PLACE IN 2012.

- WHILE KDHHS MAY NOT BE EXPECTED TO TAKE A LEADERSHIP ROLE IN ADDRESSING MENTAL HEALTH ISSUES, IT CANNOT IGNORE THE NEED FOR MENTAL HEALTH SERVICES IN ALL THE COUNTIES IT SERVES. MANY INTERVIEWED MENTIONED THE NEED FOR AN ON-STAFF PSYCHIATRIST OR AN IMPROVED REFERRAL PROGRAM FOR THOSE WITH MENTAL ILLNESS. KDHHS LEADERS INTERVIEWED STRESSED THE HOURS OF STAFF TIME THAT IS CURRENTLY SPENT FINDING FACILITIES TO REFER PATIENTS TO WITH OPEN BEDS. THIS ISSUE IS WORTH FURTHER STUDY BY KDHHS TO DETERMINE WHAT SUPPORTING ROLE IT CAN PROVIDE TO THE COMMUNITY IN THIS AREA. KDH CURRENTLY REFERS ACUTE NEEDS TO OTHER PROVIDERS. SOME LONG TERM NEEDS SUCH AS COUNSELING CAN BE MET BY AREA AGENCIES.

- ACCESS TO HEALTH CARE WAS VIEWED AS A MAJOR ISSUE BY THOSE RESPONDENTS OF THE WEB-BASED SURVEY AND BY THE LOWER INCOME CATEGORY. THERE APPEARS TO BE A NEED TO MAKE INDIVIDUALS WITHIN THE COMMUNITY MORE AWARE OF HEALTH CARE SERVICES AVAILABLE TO THEM RATHER THEY BE INSURED OR UNINSURED. THE VAST MAJORITY OF COMMUNITY LEADERS EXPECT KDHHS TO TAKE A LEADERSHIP ROLE



**Part VI** Supplemental Information

IN ACCESS TO HEALTH CARE. KDH CONTINUES TO EVOLVE IN THE AREA OF CARE TO THE UNINSURED AND UNDERINSURED. PLEASE SEE ATTACHED FISCAL REPORTS. IN ADDITION TO CONCERNS ABOUT ACCESS FOR LOW-INCOME OR THE UNDERINSURED OR UNINSURED, THERE ARE SOME CONCERNS ABOUT ACCESS TO:

1. GETTING AN APPOINTMENT WITH A PHYSICIAN QUICKLY WHEN NEEDED. WE HAVE IMPROVED ACCESS TO CARE BY EXTENDING OFFICE HOURS AND ADDING PROVIDERS.
2. GETTING SEEN IN THE EMERGENCY DEPARTMENT QUICKLY. IN 2011 A CONCERTED EFFORT HAS BEEN MADE TO ADDRESS WAIT TIMES AND PROVIDE QUICK, EFFECTIVE SERVICE TO THOSE UTILIZING THE ED FOR CARE. ALSO IN 2011 KDH ADDED SERVICES TO ITS CONVENIENT CARE CENTER TO GIVE INDIVIDUALS AN OPTION OTHER THAN THE ED FOR NON URGENT CARE.
3. EVENING APPOINTMENTS FOR THOSE UNABLE TO LEAVE WORK DURING THE DAY. SOME PROVIDER HOURS HAVE BEEN EXTENDED. (LATER APPOINTMENT TIMES AND SOME SATURDAY APPOINTMENT TIMES.)

-DUE TO AN AGING WORKFORCE, IT IS ADVISABLE FOR KDHHS TO PUT A CONTINGENCY PLAN IN PLACE TO DEAL WITH ITS AGING NURSING WORKFORCE. EACH DIRECTOR AND VICE PRESIDENT WAS ASKED TO SUBMIT A SUCCESSION PLAN TO BEGIN DEALING WITH OUR AGING WORKFORCE. KDH ALSO WORKS VERY CLOSELY WITH IVY TECH COMMUNITY COLLEGE TO ENHANCE THE OPPORTUNITY FOR YOUNG PEOPLE TO CHOOSE NURSING AS A CAREER. WE PROVIDE CLINICAL PRACTICE AREAS AND FINANCIAL AND RESOURCE ASSISTANCE. OUR RN TURNOVER RATE IS WELL BELOW THE INDIANA STATE AND NATIONAL AVERAGE.

KING'S DAUGHTERS' HOSPITAL & HEALTH SERV:

PART V, SECTION B, LINE 17E: IN ADDITION TO THE ACTIONS PREVIOUSLY LISTED, A FINANCIAL AID COUNSELOR WILL MEET WITH ANY UNINSURED INPATIENTS PRIOR TO

Part VI Supplemental Information

DISCHARGE TO DISCUSS THE FINANCIAL ASSISTANCE POLICY.

KING'S DAUGHTERS' HOSPITAL & HEALTH SERV:

PART V, SECTION B, LINE 19D: PATIENTS WITHOUT INSURANCE COVERAGE WILL RECEIVE A DISCOUNT BASED ON THE GREATER OF THE FOLLOWING:

- 1) 20% DISCOUNT FROM GROSS CHARGES (WHICH IS HIGHER THAN ANY NEGOTIATED COMMERCIAL INSURANCE DISCOUNT FROM CHARGES CONTRACT)
- 2) THE APPLICABLE SLIDING FEE SCALE ADJUSTMENT BASED ON THE PATIENT'S COMPLETED FINANCIAL ASSISTANCE APPLICATION

PART VI, LINE 2: KING'S DAUGHTERS' HOSPITAL AND HEALTH SERVICES CONDUCTED A COMMUNITY NEEDS ANALYSIS DURING 2010 THAT INVOLVED BOTH ITS PRIMARY SERVICE AREA (JEFFERSON COUNTY, RIPLEY COUNTY, AND SWITZERLAND COUNTY, INDIANA) AND ITS SECONDARY SERVICE AREA (TRIMBLE COUNTY AND CARROLL COUNTY, KENTUCKY). PRIOR TO THIS A COMMUNITY NEEDS ASSESSMENT WAS CONDUCTED IN 2007. THE NEXT NEEDS ASSESSMENT WILL TAKE PLACE IN THE 3RD AND 4TH QUARTER OF 2013.

THE FOCUS OF THIS ASSESSMENT WAS ON THE HEALTH NEEDS THAT COULD BE ADDRESSED BY KDHHS AND CAN BE USED BY KDHHS IN PLANNING FUTURE SERVICES, APPLYING FOR GRANTS AND PLANNING OUTREACH EFFORTS.

THE STUDY INCLUDED THE FOLLOWING COMPONENTS:

- ANALYSIS OF SECONDARY DATA TO DEVELOP A PROFILE OF THE RESIDENTS OF EACH COUNTY AND TO INDICATE, WHERE POSSIBLE FUTURE TRENDS AND TO SHOW

**Part VI** Supplemental Information

## COMPARISONS WITH STATE AND NATIONAL DATA;

- IN-PERSON INTERVIEWS WITH 30 KEY LEADERS WITHIN KDHHS INCLUDING BOARD, STAFF AND MEDICAL STAFF;
- IN-DEPTH-INTERVIEWS BY TELEPHONE OR IN-PERSON WITH 32 COMMUNITY LEADERS INCLUDING GOVERNMENT, MEDICAL, EDUCATION, AND OTHER COMMUNITY LEADERSHIP POSITIONS IN ALL FIVE COUNTIES;
- IN-PERSON SURVEYS OF 72 INDIVIDUALS IN LOW INCOME LOCATIONS;
- IN-PERSON DISCUSSIONS WITH 23 SENIOR CITIZENS;
- A WEB-BASED SURVEY OPEN TO THE GENERAL PUBLIC WHICH RESULTED IN 61 COMPLETED INTERVIEWS.
- THIS ASSESSMENT ALLOWED ALL INDIVIDUALS TO PROVIDE RESPONSES ON ANY COMMUNITY NEEDS NOT LISTED IN THE QUESTIONS AND ALLOWED INDIVIDUALS TO MAKE COMMENTS ON COMMUNITY HEALTH ISSUES ON WHICH KDHHS COULD HAVE AN IMPACT.

## KEY HEALTH ISSUES EXPLORED WERE THE FOLLOWING:

- PHYSICAL ACTIVITY
- OVERWEIGHT AND OBESITY
- TOBACCO USE
- SUBSTANCE ABUSE/GAMBLING/ADDICTIONS
- RESPONSIBLE SEXUAL BEHAVIOR
- MENTAL HEALTH
- INJURY AND VIOLENCE (INCLUDING DOMESTIC VIOLENCE AND SEXUAL ASSAULT)
- ENVIRONMENTAL QUALITY
- IMMUNIZATION
- ACCESS TO HEALTH CARE FOR THE INSURED AND UNINSURED
- MATERNAL AND CHILD HEALTH
- INFECTIOUS DISEASE

THE BETHANY CIRCLE OF KING'S DAUGHTERS'  
OF MADISON, INDIANA, INC.

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**Part VI** Supplemental Information

- OCCUPATIONAL AND SAFETY HEALTH
- SPECIAL NEEDS/DISABLED/IMPAIRED
- CHRONIC DISEASE

PART VI, LINE 3: 1) THE HOSPITAL HAS SIGNAGE WHICH ENCOURAGES PATIENTS TO CONTACT CUSTOMER SERVICE FOR INFORMATION REGARDING BILLS, ELIGIBILITY FOR ASSISTANCE UNDER FEDERAL/STATE GOVERNMENT PROGRAMS AND THE HOSPITAL'S CHARITY CARE POLICY. SIGNS ARE POSTED IN SEVERAL AREAS FREQUENTLY ACCESSED BY PATIENTS.

2) DISCUSSIONS REGARDING FINANCIAL ISSUES, AVAILABILITY OF FINANCIAL AID PROGRAMS, ELIGIBILITY REQUIREMENTS AND THE ASSOCIATED APPLICATION PROCESS ARE TYPICALLY DISCUSSED AT THE TIME OF REGISTRATION.

3) THE HOSPITAL HAS A REPRESENTATIVE ON SITE TO ASSIST PATIENTS WITH THE FINANCIAL AID APPLICATION PROCESS.

4) INFORMATION REGARDING THE HOSPITAL'S CHARITY CARE POLICY IS MADE AVAILABLE TO PATIENTS UPON REQUEST VIA A BROCHURE WHICH SUMMARIZES THE PROGRAM ELIGIBILITY REQUIREMENTS AND APPLICATION PROCESS.

5) PATIENTS ARE REMINDED TO CONTACT CUSTOMER SERVICE REGARDING FINANCIAL AID AND FEDERAL/STATE ASSISTANCE DIRECTLY ON THE PATIENT BILL ITSELF.

6) THE HOSPITAL'S WEBSITE INCLUDES LINKS TO THE FOLLOWING: "REQUEST A PRICE ESTIMATE", "ASK A BILLING QUESTION", "VIEW A SAMPLE BILL", "FINANCIAL AID APPLICATION", AND "INSURANCE PROVIDERS".

PART VI, LINE 4: THE KING'S DAUGHTERS' HOSPITAL AND HEALTH SERVICES IDENTIFIES THE FOLLOWING AREAS AS ITS PRIMARY AND SECONDARY SERVICE AREAS: JEFFERSON COUNTY, IN: POPULATION 33,010 PORTIONS OF RIPLEY COUNTY, IN PORTIONS OF SWITZERLAND COUNTY, IN

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PORTIONS OF TRIMBLE AND CARROLL COUNTIES, KY

JEFFERSON COUNTY

- JEFFERSON COUNTY IS EXPERIENCING A SLOW GROWTH IN TOTAL POPULATION, CURRENTLY AT 33,010, AND IS EXPERIENCING AN INWARD MIGRATION. BY 2020, THE POPULATION IS EXPECTED TO BE ABOUT 34,209. IT HAS A MEDIAN AGE OF 39.6, A SOMEWHAT OLDER POPULATION THAN THE STATE AVERAGE OF 36.7. THE UNEMPLOYMENT RATE OF 10.6% IS ABOVE THE INDIANA RATE OF 10.1%. THE POPULATION IS FAIRLY HOMOGENEOUS WITH A LARGELY CAUCASIAN POPULATION, 95%. THE AVERAGE HOUSEHOLD INCOME, OF \$42,646, IS LOWER THAN THAT FOR INDIANA AND THE NATION. IN JEFFERSON COUNTY, ABOUT 13.2% OF THE INDIVIDUALS, OR ABOUT 4,357, LIVE BELOW THE POVERTY LEVEL, SIMILAR TO THE 12.9% POVERTY RATE OF INDIVIDUALS IN INDIANA AND MIRRORING THE 13.2% RATE FOR THE ENTIRE U.S. 53.9% OF ALL FAMILIES IN JEFFERSON COUNTY ARE SINGLE PARENT FAMILIES WITH 27.8% OF THESE FAMILIES IN POVERTY. IN INDIANA, 32.4% OF ALL FAMILIES ARE SINGLE PARENT FAMILIES WITH 27.6% OF THESE FAMILIES IN POVERTY. JEFFERSON COUNTY RANKS FIRST IN INDIANA IN TERMS OF THE NUMBER OF ACRES DEVOTED TO TOBACCO WITH TOBACCO CROP SALES OF \$1.6 MILLION IN 2007. 30% OF ADULTS IN JEFFERSON COUNTY USE TOBACCO COMPARED TO 23% OF ADULTS LIVING IN THE STATE OF INDIANA. AN ESTIMATED 26.9% OF THE POPULATION AGE 18+ IS UNINSURED. 6% OF INDIVIDUALS WITH INSURANCE HAVE MEDICAID, A HIGHER PERCENT THAN INDIANA/4.9% OR THE NATION/4.5%. ACCORDING TO THE INDIANA STATE DEPARTMENT OF HEALTH 2009 REPORT, JEFFERSON COUNTY WAS NOT LISTED AS A COUNTY THAT HAD A SHORTAGE OF HEALTHCARE PROFESSIONALS OR OF MENTAL HEALTH PROFESSIONALS. HOWEVER, THE 2009 REPORT LISTS MILTON, SHELBY AND SMYRNA TOWNSHIPS AS MEDICALLY UNDERSERVED. THE RATE OF ALL CANCER INCIDENCE IS HIGHER IN JEFFERSON COUNTY, AT 521.6 FOR 100,000 POPULATION, THAN FOR INDIANA, AT 479.4 FOR 100,000 POPULATION. THE RATE OF LUNG AND BRONCHUS

THE BETHANY CIRCLE OF KING'S DAUGHTERS'  
OF MADISON, INDIANA, INC.

Schedule H (Form 990) 2011

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**Part VI** Supplemental Information

CANCER IS HIGHER IN JEFFERSON, AT 101.6 PER 100,000 POPULATION THAN FOR INDIANA AT 79.8 PER 100,000. THE RATE OF PROSTATE CANCER IS HIGHER IN JEFFERSON, AT 166.2 PER 100,000 POPULATION THAN FOR INDIANA AT 137.5 PER 100,000. THE RATE OF BREAST CANCER IN JEFFERSON IS HIGHER, AT 126.4 PER 100,000 POPULATION THAN FOR INDIANA AT 113.8 PER 100,000 POPULATION. THE RATE OF COLORECTAL CANCER IS LOWER IN JEFFERSON, AT 50.3 PER 100,000, THAN THE RATE FOR INDIANA, AT 52.2 PER 100,000. THE RATE OF ADULT ASTHMA IN JEFFERSON COUNTY, AT 7.13%, IS HIGHER THAN THE RATE FOR INDIANA, AT 6.88%, AS IS THE RATE OF CHRONIC BRONCHITIS (3.4% FOR JEFFERSON; 3.2% FOR INDIANA) AND FOR EMPHYSEMA (1.4% FOR JEFFERSON; 1.28% FOR INDIANA.) THE PERCENT OF MOTHERS WHO SMOKED DURING PREGNANCY IN JEFFERSON COUNTY IS 25.1% COMPARED TO THE STATE OF INDIANA AVERAGE OF 18.5%. IN 2007, THE PERCENT OF LOW-WEIGHT BIRTHS FOR JEFFERSON COUNTY WAS 8.9%, ABOVE THE 8.5% FOR INDIANA. THE NUMBER OF TEEN PREGNANCIES AMONG WOMEN 15 TO 19 YEARS OLD HAS DECREASED IN JEFFERSON COUNTY FROM 2002 TO THE MOST RECENT MEASUREMENT IN 2007. IN JEFFERSON COUNTY, THERE WERE 52 TEEN PREGNANCIES IN 2002 AND 46 TEEN PREGNANCIES IN 2007. IN INDIANA, AN OPPOSITE TREND TOOK PLACE - THERE WERE 11,378 TEEN PREGNANCIES IN 2002 AND 11,683 IN 2007. JEFFERSON COUNTY REPORTED 72 NEWLY DIAGNOSED CASES OF CHLAMYDIA IN 2008, AN INCREASE FROM THE 69 REPORTED IN 2007, BUT A DECREASE FROM THE 75 REPORTED IN 2006. THERE WERE 4 CASES OF GONORRHEA AND ONE CASE OF SYPHILIS REPORTED IN JEFFERSON COUNTY IN 2008. THE MOST RECENT INFORMATION FROM THE INDIANA FAMILY AND SOCIAL SERVICE ADMINISTRATION IN 2008 SHOWS 1,324 ADULTS IN JEFFERSON COUNTY WITH SERIOUS MENTAL ILLNESS AND 247 SERIOUSLY EMOTIONALLY DISTURBED CHILDREN. THE RATE OF DEATHS RELATED TO MAJOR CARDIO VASCULAR DISEASES IN JEFFERSON COUNTY DECREASED FROM 2005 - 359.9 PER 100,000 POPULATION TO 2007 - 309.1 PER 100,000 POPULATION. HOWEVER, THE 309.1 PER 100,000 POPULATION RATE IN 2007 IS HIGHER THAN BOTH THE INDIANA

Schedule H (Form 990) 2011

**Part VI** Supplemental Information

RATE OF 267.2 PER 100,000 AND THE NATIONAL RATE OF 190.9 PER 100,000. THE STROKE DEATH RATE IN JEFFERSON, AT 53.3 PER 100,000 POPULATION IN 2007, WAS HIGHER THAN THE 44.5 PER 100,000 POPULATION FOR INDIANA AND THE 45.1 PER 100,000 FOR THE NATION.

## RIPLEY COUNTY

- RIPLEY COUNTY HAS A CURRENT POPULATION OF 27,421. THERE IS A NET OUTWARD MIGRATION. BY THE YEAR 2020, THE POPULATION WILL BE ABOUT 29,855. THE POPULATION IS 96.9% CAUCASIAN. THE HOUSEHOLD INCOME IN RIPLEY IS \$51,603 - LOWER THAN THE NATIONAL AVERAGE OF \$52,029, BUT HIGHER THAN THE INDIANA AVERAGE OF \$48,010. THE PERCENT OF FAMILIES BELOW POVERTY IN RIPLEY IS 12.2%, LOWER THAN THE INDIANA AVERAGE OF 15.9% AND THE NATIONAL AVERAGE OF 16.5%. 42.3% OF ALL FAMILIES IN RIPLEY COUNTY ARE SINGLE PARENT FAMILIES WITH 26.8% OF THESE FAMILIES IN POVERTY. IN INDIANA, 32.4% OF ALL FAMILIES ARE SINGLE PARENT FAMILIES WITH 27.6% OF THESE FAMILIES IN POVERTY. THE PERCENT OF THOSE AGE 18+ WHO ARE UNINSURED IS 26%, COMPARED TO 27% FOR INDIANA AND 27.3% FOR THE NATION. IN RIPLEY COUNTY, 2,955 CHILDREN ARE ENROLLED IN HOOSIER HEALTHWISE. THE PERCENT OF MOTHER IN RIPLEY COUNTY WHO SMOKE DURING PREGNANCY IS 26.6%, COMPARED TO 18.5% IN INDIANA. THE PERCENT OF LOW BIRTH WEIGHT IN RIPLEY COUNTY IS 6.5%, COMPARED TO 8.5% IN INDIANA. IN RIPLEY COUNTY, THE NUMBER OF TEEN PREGNANCIES (GIRLS 15 TO 19) DECREASED FROM 48 IN 2002 TO 45 IN 2007. THIS REPRESENTS A 8.9% TEEN BIRTH RATE IN RIPLEY, COMPARED TO A 20.8% TEEN BIRTH RATE IN INDIANA. THE MOST RECENT INFORMATION FROM THE INDIANA FAMILY AND SOCIAL SERVICE ADMINISTRATION IN 2008 SHOWS 1,071 ADULTS IN RIPLEY COUNTY WITH SERIOUS MENTAL ILLNESS AND 250 SERIOUSLY EMOTIONALLY DISTURBED CHILDREN. RIPLEY COUNTY DOES NOT HAVE A SHORTAGE OF HEALTH CARE PROFESSIONALS. THE TOWNSHIPS OF DELAWARE, CENTER AND BROWN ARE CONSIDERED

MEDICALLY UNDERSERVED. RIPLEY HAS A SHORTAGE OF MENTAL HEALTH PROFESSIONALS. THE RATE OF INDIVIDUALS WITH LUNG CANCER IN RIPLEY WAS 119.7 PER 100,000 POPULATIONS COMPARED TO 59.7 FOR INDIANA IN 2007. THE PNEUMONIA/INFLUENZA DEATH RATE IN 2007 FOR RIPLEY COUNTY WAS 22.65 PER 100,000 WHICH IS HIGHER THAN INDIANA AT 16.04 AND THE NATION AT 17.5.

SWITZERLAND COUNTY

- SWITZERLAND COUNTY HAS A POPULATION OF 9,675 AND HAS A SLOW GROWTH RATE OF 0.5 WHICH MIRRORS THAT FOR INDIANA. THERE IS A NET MIGRATION INTO THE COUNTY. BY 2020, THE POPULATION WILL BE 11,041. THE ETHNICITY IS 97.6% WHITE. THE UNEMPLOYMENT RATE IS 7.9% IN SWITZERLAND COUNTY, LOWER THAN THE INDIANA RATE OF 10.1%. THE AVERAGE ANNUAL HOUSEHOLD INCOME IS \$42,209, COMPARED TO \$48,010 FOR INDIANA AND \$52,029 FOR THE NATION. IN SWITZERLAND, 23.9% OF THE FAMILIES ARE BELOW THE POVERTY LEVEL, COMPARED TO 15.9% OF INDIANA FAMILIES, AND 16.5% OF FAMILIES IN THE NATION. 26.8% OF THE CHILDREN IN SWITZERLAND COUNTY ARE BELOW THE POVERTY LEVEL. IN 2007, 26.3% OF ALL ADULTS AGE 25+ HAD LESS THAN A HIGH SCHOOL DIPLOMA, WHILE 26.8% OF THOSE AGE 18+ ARE UNINSURED, COMPARED TO 27% IN INDIANA AND 27.3% IN THE NATION. 864 CHILDREN IN SWITZERLAND COUNTY ARE ENROLLED IN HOOSIER HEALTHWISE. 8.1% OF INDIVIDUALS WITH INSURANCE HAVE MEDICAID, A HIGHER PERCENT THAN INDIANA/4.9% OR THE NATION/4.5%. THE TEEN BIRTH RATE FOR SWITZERLAND COUNTY IN 2007 WAS 36.3 PER 1,000 FEMALES AGE 15-17. THIS IS SIGNIFICANTLY HIGHER THAN THE RATE FOR INDIANA OF 22 PER 1,000. THE RATE OF MOTHERS SMOKING DURING PREGNANCY IS 29.6% IN SWITZERLAND COUNTY, COMPARED TO 18.5% IN INDIANA. IN SWITZERLAND, THERE IS A 9.6% LOW BIRTH WEIGHT, COMPARED TO 8.5% IN INDIANA. IN 2009, 30% OF ALCOHOL RELATED FATALITIES IN SWITZERLAND COUNTY HAD A BLOOD ALCOHOL CONCENTRATION (BAC) OF 0.1 OR HIGHER COMPARED TO 29% FOR INDIANA. SWITZERLAND COUNTY HAS A



**Part VI** Supplemental Information

SHORTAGE OF HEALTH CARE PROFESSIONALS. ALL AREAS OF SWITZERLAND COUNTY ARE CONSIDERED MEDICALLY UNDERSERVED. SWITZERLAND COUNTY HAS A SHORTAGE OF MENTAL HEALTH PROFESSIONALS. THE RATE OF CHRONIC BRONCHITIS IN SWITZERLAND COUNTY, IS 3.4%, SIMILAR TO THE INDIANA RATE OF 3.2%. THE RATE OF EMPHYSEMA IN SWITZERLAND IS 1.38%, SIMILAR TO THE INDIANA RATE OF 1.28%. THERE ARE 379 ADULTS WITH SERIOUS MENTAL ILLNESS IN SWITZERLAND COUNTY AND 78 SERIOUSLY EMOTIONALLY DISTURBED CHILDREN. THE STROKE DEATH RATE PER 100,000 POPULATION IN 2007 WAS 67.9 FOR SWITZERLAND COUNTY COMPARED TO 44.5 FOR INDIANA AND 45.1 FOR THE NATION.

PART VI, LINE 5: THE MAJORITY OF THE KING'S DAUGHTERS' HOSPITAL AND HEALTH SERVICES BOARD OF MANAGERS IS COMPRISED OF INDIVIDUALS WHO LIVE AND WORK IN THE HOSPITAL SERVICES AREA. THE MAJORITY OF THESE INDIVIDUALS ARE NEITHER EMPLOYEES, NOR CONTRACTORS OF THE ORGANIZATION, NOR FAMILY MEMBERS THEREOF. THE HOSPITAL EXTENDS MEDICAL STAFF PRIVILEGES TO ALL QUALIFIED PHYSICIANS IN ITS COMMUNITY FOR SOME OR ALL OF ITS DEPARTMENTS. THE ORGANIZATION ALSO APPLIES A PORTION OF SURPLUS FUNDS TO IMPROVEMENTS IN PATIENT CARE. HISTORICALLY, KDHHS HAS EMPLOYED A FULL TIME COMMUNITY WELLNESS COORDINATOR. THIS POSITION PROVIDES OUTREACH SERVICES IN AREAS OF NEED TO THE COMMUNITIES WE SERVE. IN ADDITION TO THESE SERVICES, KDHHS ALSO SERVES AS THE FISCAL AGENT FOR SEVERAL STATE AND FEDERAL GRANTS. ALL OF THESE SERVICES HELP US MEET THE IDENTIFIED NEEDS OF THE COMMUNITIES WE SERVE.

PARTICIPATION IN THE BELOW COMMUNITY ORGANIZATIONS IS PART OF THE HOSPITAL'S INDIANA STATE DEPARTMENT OF HEALTH COMMUNITY BENEFIT PLAN AND GOALS.

**Part VI** Supplemental Information

## OVERVIEW OF 2011 COMMUNITY BENEFIT ACTIVITIES

## 1. HEALTH SCREENS

16 COMMUNITY HEALTH SCREENS

110 CORPORATE HEALTH SCREENS

59 SKIN CANCER SCREENS PERFORMED AT 1 EVENT

30 BREAST CANCER SCREENS PERFORMED AT 1 EVENT

55 COLON CANCER SCREENS PERFORMED

180 CORPORATE FLU SHOTS GIVEN

120 FLU SHOTS SOLD TO IVY TECH FOR SELF ADMINISTRATION

## 2. HEALTH FAIRS

HEARTBEATS HEALTH FAIR IN VERSAILLES

RIPLEY COUNTY 4H FAIR

JEFFERSON COUNTY 4H FAIR: HOSPITAL AND CASA BOOTHS

REMC HEALTH FAIR IN VERSAILLES

ECO15 DAY AT IVY TECH

CULTURAL AWARENESS DAY

WAL MART CANCER AWARENESS EVENT

## 3. COMMUNITY EDUCATION

SPEAKERS BUREAU - 27 SPEAKING ENGAGEMENTS IN 2010

SAFE SITTER CLASSES - 2 CLASSES AND 27 GRADUATES

ACE FIT KIDS PROGRAM - 400 STUDENTS IN 8 SCHOOLS AND 18 CLASSROOMS

SMOKING CESSATION CLASSES - 16 GRADUATES IN ADULT PROGRAM, 45 YOUTH IN

TAP/TEG PROGRAM COURSE

CPR AND FIRST AID CLASSES - 600 GRADUATES

CREATING POSITIVE RELATIONSHIPS/ABSTINENCE EDUCATION PROGRAM - 1,400

**Part VI** Supplemental Information**PARTICIPANTS FROM 4 SCHOOLS**

PRENATAL, LAMAZE, AND CHULDBIRTH EDUCATION CLASSES (HELD QUARTERLY BY OB DEPARTMENT) - SERVED APPROXIMATELY 310 COUPLES AND 20 SIBLINGS; LAMAZE CLASS SERVED 14 COUPLES; MOMS GROUP AT WIC SERVED 6 COUPLES; AND GENETICS CLINIC SERVED 27 COUPLES

GIRLS ON THE RUN PROGRAM - 43 PARTICIPANTS FROM LOCAL SCHOOLS (GRADES 3-5) AND 126 PARTICIPANTS IN A 5K RUN

WELLNESS CLASSES - 8 TYPES OF CLASSES PLUS YOGA OFFERED IN 5-6 WEEKLY CLASS SESSIONS

LIFESKILLS CURRICULUM (DRUG AND ALCOHOL AWARENESS PROGRAM FOR YOUTH) - OFFERED AT 4 SCHOOLS FOR 6TH THROUGH 8TH GRADERS  
SIX WEEK COMMUNITY PEP WALK SERIES - 200 WALKERS

**4. EMPLOYEE HEALTH**

EMPLOYEE HEALTH NEWSLETTER - ON-LINE PUBLICATION THROUGHOUT THE YEAR  
EMPLOYEE WEIGHT WATCHERS - OFFERED THROUGH SEPTEMBER 2011  
SPECIAL EMPLOYEE WELLNESS PROGRAMS - WELLNESS COLUMN IN THE MONITOR, WELLNESS CALENDAR DISTRIBUTION, EMPLOYEE HEALTH SCREEN AND EMPLOYEE RISK ASSESSMENT CONTINUED IN 2011 WITH INSURANCE PREMIUM REDUCTION INCENTIVE PROGRAM, 1 WELLNESS CHALLENGE WITH 161 PARTICIPANTS

**5. COMMUNITY SERVICE ACTIVITIES**

CANCER SURVIVORS DAY (IN CONJUNCTION WITH RELAY FOR LIFE) - SERVED AROUND 300 PEOPLE

SUPPORT GROUPS - BREAST CANCER, DIABETES, SURVIVING SPOUSE, NEW MOMS  
ACTIVE ATTENDANCE AND PARTICIPATION IN:

CASA (COALITION AGAINST SUBSTANCE ABUSE, JEFFERSON COUNTY)

SCAT (SWITZERLAND COUNTY AWARENESS TEAM)

**Part VI** Supplemental Information

ITPC (INDIANA TOBACCO PREVENTION CESSATION) JEFFERSON AND SWITZERLAND  
SCHOOL WELLNESS COMMITTEE AND POLICY DEVELOPMENT - SEVERAL MEETINGS  
KDH CLIFTY WALK/RUN - 150 PARTICPANTS  
JEFFERSON COUNTY PUBLIC HEALTH NEEDS ASSESSMENT AND SIX SIGMA PROJECT  
SUPPORT TO VARIOUS AREA SCHOOLS WITH INTERNSHIPS

**6. SUCCESSFUL GRANT ACTIVITY**

ISDH PROJECT RESPECT GRANT - FUNDS THE CPR (CREATING POSITIVE  
RELATIONSHIPS) PROGRAM COORDINATOR FROM OCTOBER OF 1999 UNTIL SEPTEMBER  
2002. EXTENDED ONE MORE YEAR (SEPT 2003). PROGRAM LOST FUNDING IN  
SEPTEMBER 2003. TAUGHT BY VOLUNTEERS FROM OCTOBER 2003 UNTIL DECEMBER  
2005. REAPPLIED AND FUNDED IN NOVEMBER 2005 THROUGH SEPTEMBER 2007. NEW  
COORDINATOR HIRED. REAPPLIED IN FEBRUARY 2007 FOR FUNDING IN OCTOBER  
2007. FUNDING PULLED AT THE FEDERAL LEVEL, THEN LOST STATE FUNDING. HAVE  
FOUND ALTERNATIVE FUNDING FOR THE 2007-2008 SCHOOL YEAR. SEEKING  
ALTERNATIVE FUNDING FOR THE 2008-2009 SCHOOL YEAR. WE WERE REFUNDED AT  
THE STATE LEVEL FOR ONE MONTH. WE HAVE BEEN OPERATING SINCE THAT TIME  
FROM PRIVATE SOLICITED FUNDS. PROGRAM GIFTED TO CHOICES FOR WOMEN IN THE  
FALL OF 2011.

ITPC: INDIANA TOBACCO PREVENTION AND CESSATION:  
FUNDING RECEIVED FROM THE STATE FOR JEFFERSON AND SWITZERLAND COUNTIES.  
FULL TIME COORDINATOR IN PLACE THROUGH JUNE 2013

CASA/SCAT GRANTS:  
TO FUND NICOTINE REPLACEMENT THERAPY FOR INDIVIDUALS WISHING TO QUIT  
SMOKING.

**Part VI** Supplemental Information**7. PUBLIC RELATIONS ACTIVITIES**

EMS STAND-BY AT ALL COMMUNITY EVENTS:

EMS PROVIDES STAND-BY COVERAGE AT ALL JEFFERSON COUNTY ACTIVITIES.

WEBSITE

ADDED FACEBOOK AND TWITTER FOR KDH AND KDH WELLNESS

PART VI, LINE 6: NA

PART VI, LINE 7, LIST OF STATES RECEIVING COMMUNITY BENEFIT REPORT:

IN



**THE BETHANY CIRCLE OF KING'S DAUGHTERS'  
OF MADISON, INDIANA, INC.**

35-0895832

Schedule I (Form 990) (2011)

Page 2

**Part III** Grants and Other Assistance to Individuals in the United States. Complete if the organization answered "Yes" to Form 990, Part IV, line 22.  
Part III can be duplicated if additional space is needed

(a) Type of grant or assistance	(b) Number of recipients	(c) Amount of cash grant	(d) Amount of non-cash assistance	(e) Method of valuation (book, FMV, appraisal, other)	(f) Description of non-cash assistance

**Part IV** Supplemental Information. Complete this part to provide the information required in Part I, line 2, and any other additional information.

SCHEDULE I, PART I, LINE 2: FUNDS ARE NOT GRANTED TO ORGANIZATIONS BUT ARE  
DONATED. DONATIONS ARE DETERMINED ON A DISCRETIONARY BASIS.

**SCHEDULE J  
(Form 990)**

Department of the Treasury  
Internal Revenue Service

**Compensation Information**

For certain Officers, Directors, Trustees, Key Employees, and Highest Compensated Employees

▶ Complete if the organization answered "Yes" to Form 990, Part IV, line 23.

▶ Attach to Form 990. ▶ See separate instructions.

OMB No 1545-0047

**2011**

Open to Public  
Inspection

Name of the organization

**THE BETHANY CIRCLE OF KING'S DAUGHTERS'  
OF MADISON, INDIANA, INC.**

Employer identification number

**35-0895832**

**Part I Questions Regarding Compensation**

**1a** Check the appropriate box(es) if the organization provided any of the following to or for a person listed in Form 990, Part VII, Section A, line 1a. Complete Part III to provide any relevant information regarding these items.

- |  |  |
|--|--|
| <input type="checkbox"/> First-class or charter travel             | <input type="checkbox"/> Housing allowance or residence for personal use |
| <input type="checkbox"/> Travel for companions                     | <input type="checkbox"/> Payments for business use of personal residence |
| <input type="checkbox"/> Tax indemnification and gross-up payments | <input type="checkbox"/> Health or social club dues or initiation fees   |
| <input type="checkbox"/> Discretionary spending account            | <input type="checkbox"/> Personal services (e.g., maid, chauffeur, chef) |

**b** If any of the boxes on line 1a are checked, did the organization follow a written policy regarding payment or reimbursement or provision of all of the expenses described above? If "No," complete Part III to explain

**2** Did the organization require substantiation prior to reimbursing or allowing expenses incurred by all officers, directors, trustees, and the CEO/Executive Director, regarding the items checked in line 1a?

**3** Indicate which, if any, of the following the filing organization used to establish the compensation of the organization's CEO/Executive Director. Check all that apply. Do not check any boxes for methods used by a related organization to establish compensation of the CEO/Executive Director. Explain in Part III.

- |  |   |
|--|---|
| <input checked="" type="checkbox"/> Compensation committee   | <input checked="" type="checkbox"/> Written employment contract                     |
| <input type="checkbox"/> Independent compensation consultant | <input checked="" type="checkbox"/> Compensation survey or study                    |
| <input type="checkbox"/> Form 990 of other organizations     | <input checked="" type="checkbox"/> Approval by the board or compensation committee |

**4** During the year, did any person listed in Form 990, Part VII, Section A, line 1a, with respect to the filing organization or a related organization:

- a** Receive a severance payment or change-of-control payment?
- b** Participate in, or receive payment from, a supplemental nonqualified retirement plan?
- c** Participate in, or receive payment from, an equity-based compensation arrangement?

If "Yes" to any of lines 4a-c, list the persons and provide the applicable amounts for each item in Part III

**Only section 501(c)(3) and 501(c)(4) organizations must complete lines 5-9.**

**5** For persons listed in Form 990, Part VII, Section A, line 1a, did the organization pay or accrue any compensation contingent on the revenues of:

- a** The organization?
- b** Any related organization?

If "Yes" to line 5a or 5b, describe in Part III.

**6** For persons listed in Form 990, Part VII, Section A, line 1a, did the organization pay or accrue any compensation contingent on the net earnings of:

- a** The organization?
- b** Any related organization?

If "Yes" to line 6a or 6b, describe in Part III

**7** For persons listed in Form 990, Part VII, Section A, line 1a, did the organization provide any non-fixed payments not described in lines 5 and 6? If "Yes," describe in Part III

**8** Were any amounts reported in Form 990, Part VII, paid or accrued pursuant to a contract that was subject to the initial contract exception described in Regulations section 53.4958-4(a)(3)? If "Yes," describe in Part III

**9** If "Yes" to line 8, did the organization also follow the rebuttable presumption procedure described in Regulations section 53.4958-6(c)?

Yes No

**1b**

**2**

**4a**

**4b**

**4c**

**5a**

**5b**

**6a**

**6b**

**7**

**8**

**9**

**X**

**X**

**X**

**X**

**X**

**X**

**X**

**X**

**X**

LHA For Paperwork Reduction Act Notice, see the Instructions for Form 990.

Schedule J (Form 990) 2011



**THE BETHANY CIRCLE OF KING'S DAUGHTERS'  
OF MADISON, INDIANA, INC.**

Page 2

35-0895832

Schedule J (Form 990) 2011

**Part II Officers, Directors, Trustees, Key Employees, and Highest Compensated Employees.** Use duplicate copies if additional space is needed

For each individual whose compensation must be reported in Schedule J, report compensation from the organization on row (i) and from related organizations, described in the instructions, on row (ii). Do not list any individuals that are not listed on Form 990, Part VII.

**Note.** The sum of columns (B)(i)-(iii) for each listed individual must equal the total amount of Form 990, Part VII, Section A, line 1a, applicable column (D) and (E) amounts for that individual.

(A) Name	(B) Breakdown of W-2 and/or 1099-MISC compensation			(C) Retirement and other deferred compensation	(D) Nontaxable benefits	(E) Total of columns (B)(i)-(D)	(F) Compensation reported as deferred in prior Form 990
	(i) Base compensation	(ii) Bonus & incentive compensation	(iii) Other reportable compensation				
1 EILEEN MCGARVEY, MD	(i) 385,701.	4,534.	1,584.	16,395.	5,507.	413,721.	0.
	(ii) 0.	0.	0.	0.	0.	0.	0.
2 PAT STACK, MD	(i) 165,569.	66,118.	2,032.	14,885.	17,375.	265,979.	0.
	(ii) 0.	0.	0.	0.	0.	0.	0.
3 ROGER ALLMAN	(i) 315,431.	2,782.	115,793.	15,796.	17,900.	467,702.	0.
	(ii) 0.	0.	0.	0.	0.	0.	0.
4 STEVE MEACHAM	(i) 180,466.	2,078.	1,584.	11,493.	16,448.	212,069.	0.
	(ii) 0.	0.	0.	0.	0.	0.	0.
5 MIKE BURNETT	(i) 159,043.	1,564.	1,452.	9,964.	12,077.	184,100.	0.
	(ii) 0.	0.	0.	0.	0.	0.	0.
6 THOMAS ECKERT, MD	(i) 421,509.	357,462.	1,032.	17,150.	17,651.	814,804.	0.
	(ii) 0.	0.	0.	0.	0.	0.	0.
7 GIL WEIZER, MD	(i) 397,199.	156,285.	240.	10,535.	17,881.	582,140.	0.
	(ii) 0.	0.	0.	0.	0.	0.	0.
8 WILLIAM SKILES, MD	(i) 423,901.	116,003.	552.	16,532.	11,943.	568,931.	0.
	(ii) 0.	0.	0.	0.	0.	0.	0.
9 MICHAEL SCHMIDT, MD	(i) 418,263.	97,138.	15,728.	16,544.	17,881.	565,554.	0.
	(ii) 0.	0.	0.	0.	0.	0.	0.
10 JONATHAN HANSON, MD	(i) 369,359.	135,271.	3,223.	10,535.	17,383.	535,771.	0.
	(ii) 0.	0.	0.	0.	0.	0.	0.
11							
12							
13							
14							
15							
16							

Schedule J (Form 990) 2011

THE BETHANY CIRCLE OF KING'S DAUGHTERS'  
OF MADISON, INDIANA, INC.

**Part III** Supplemental Information

Complete this part to provide the information, explanation, or descriptions required for Part I, lines 1a, 1b, 3, 4a, 4b, 4c, 5a, 5b, 6a, 6b, 7, and 8, and for Part II. Also complete this part for any additional information.

BOARD MEMBERS PAT STACK, MD AND EILEEN MCGARVEY, MD  
LISTED ABOVE ARE EMPLOYED PHYSICIANS OF THE HOSPITAL. DR. STACK AND DR.  
MCGARVEY DO NOT RECEIVE COMPENSATION FOR SERVICES PROVIDED AS BOARD  
MEMBERS. THE COMPENSATION LISTED ABOVE FOR DR. STACK AND DR. MCGARVEY IS  
COMPENSATION RECEIVED FOR SERVICES PROVIDED AS EMPLOYED PHYSICIANS.

**SCHEDULE K**

(Form 990)  
Department of the Treasury  
Internal Revenue Service

**Supplemental Information on Tax-Exempt Bonds**  
▶ Complete if the organization answered "Yes" to Form 990, Part IV, line 24a. Provide descriptions, explanations, and any additional information in Part VI.  
▶ Attach to Form 990. ▶ See separate instructions.

OMB No. 1545-0047

**2011**

Open to Public  
Inspection

Name of the organization

THE BETHANY CIRCLE OF KING'S DAUGHTERS'  
OF MADISON, INDIANA, INC.

Employer identification number  
35-0895832

**Part I Bond Issues**

(a) Issuer name	(b) Issuer EIN	(c) CUSIP #	(d) Date issued	(e) Issue price	(f) Description of purpose	(g) Defeased		(h) On behalf of issuer		(i) Pooled financing	
						Yes	No	Yes	No	Yes	No
INDIANA FINANCE A AUTHORITY	35-1602316	45471ACW0	11/03/10	97,847,058.	SEE SCHEDULE O		X		X		X
B											
C											
D											

**Part II Proceeds**

	A		B		C		D	
	Yes	No	Yes	No	Yes	No	Yes	No
1 Amount of bonds retired								
2 Amount of bonds legally defeased								
3 Total proceeds of issue			97,847,058.					
4 Gross proceeds in reserve funds			6,756,300.					
5 Capitalized interest from proceeds								
6 Proceeds in refunding escrows								
7 Issuance costs from proceeds			1,749,243.					
8 Credit enhancement from proceeds								
9 Working capital expenditures from proceeds								
10 Capital expenditures from proceeds			28,354,446.					
11 Other spent proceeds			313,145.					
12 Other unspent proceeds			60,673,924.					
13 Year of substantial completion								

14 Were the bonds issued as part of a current refunding issue?	Yes	No	Yes	No	Yes	No
15 Were the bonds issued as part of an advance refunding issue?		X				
16 Has the final allocation of proceeds been made?		X				
17 Does the organization maintain adequate books and records to support the final allocation of proceeds?	X					

**Part III Private Business Use**

1 Was the organization a partner in a partnership, or a member of an LLC, which owned property financed by tax-exempt bonds?	A		B		C		D	
	Yes	No	Yes	No	Yes	No	Yes	No
		X						
2 Are there any lease arrangements that may result in private business use of bond-financed property?	A		B		C		D	
	Yes	No	Yes	No	Yes	No	Yes	No
		X						

132121

01-23-12

THE BETHANY CIRCLE OF KING'S DAUGHTERS'  
OF MADISON, INDIANA, INC.

35-0895832

**Part III Private Business Use** (Continued)

	A		B		C		D	
	Yes	No	Yes	No	Yes	No	Yes	No
<b>3a</b> Are there any management or service contracts that may result in private business use of bond-financed property?								
<b>b</b> If "Yes" to line 3a, does the organization routinely engage bond counsel or other outside counsel to review any management or service contracts relating to the financed property?		X						
<b>c</b> Are there any research agreements that may result in private business use of bond-financed property?		X						
<b>d</b> If "Yes" to line 3c, does the organization routinely engage bond counsel or other outside counsel to review any research agreements relating to the financed property?								
<b>4</b> Enter the percentage of financed property used in a private business use by entities other than a section 501(c)(3) organization or a state or local government		.00		%		%		%
<b>5</b> Enter the percentage of financed property used in a private business use as a result of unrelated trade or business activity carried on by your organization, another section 501(c)(3) organization, or a state or local government		.00		%		%		%
<b>6</b> Total of lines 4 and 5		.00		%		%		%
<b>7</b> Has the organization adopted management practices and procedures to ensure the post-issuance compliance of its tax-exempt bond liabilities?	X							

**Part IV Arbitrage**

	A		B		C		D	
	Yes	No	Yes	No	Yes	No	Yes	No
<b>1</b> Has a Form 8038-T, Arbitrage Rebate, Yield Reduction and Penalty in Lieu of Arbitrage Rebate, been filed with respect to the bond issue?		X						
<b>2</b> Is the bond issue a variable rate issue?		X						
<b>3a</b> Has the organization or the governmental issuer entered into a qualified hedge with respect to the bond issue?		X						
<b>b</b> Name of provider								
<b>c</b> Term of hedge								
<b>d</b> Was the hedge superintergrated?								
<b>e</b> Was the hedge terminated?								
<b>4a</b> Were gross proceeds invested in a guaranteed investment contract (GIC)?		X						
<b>b</b> Name of provider								
<b>c</b> Term of GIC								
<b>d</b> Was the regulatory safe harbor for establishing the fair market value of the GIC satisfied?								
<b>5</b> Were any gross proceeds invested beyond an available temporary period?		X						
<b>6</b> Did the bond issue qualify for an exception to rebate?		X						

**Part V Procedures To Undertake Corrective Action**

Check the box if the organization established written procedures to ensure that violations of federal tax requirements are timely identified and corrected through the voluntary closing agreement program if self-remediation is not available under applicable regulations

☐ Yes ☒ No
**Part VI Supplemental Information.** Complete this part to provide additional information for responses to questions on Schedule K

Department of the Treasury  
Internal Revenue Service

► **Complete if the organization answered**

**▶ Attach to Form 990 or Form 990-EZ. ▶ See separate instructions.**

OMB No 1545-0047

# 2011

## Open To Public Inspection

**Employer identification number**  
**35-0895832**

Complete if the organization answered "Yes" on Form 990, Part IV, line 25a or 25b, or Form 990-EZ, Part V, line 40b.

**2** Enter the amount of tax imposed on the organization managers or disqualified persons during the year under section 4958

**3** Enter the amount of tax, if any, on line 2, above, reimbursed by the organization

Complete if the organization answered "Yes" on Form 990, Part IV, line 26, or Form 990-EZ, Part V, line 38a.

<b>Part III</b>	<b>Grants or Assistance Benefiting Interested Persons.</b>
-----------------	--

Complete if the organization answered "Yes" on Form 990, Part IV, line 27.

**LHA For Paperwork Reduction Act Notice, see the Instructions for Form 990 or 990-EZ.**

Schedule L (Form 990 or 990-EZ) 2011

132131 01-19-12

Complete if the organization answered "Yes" on Form 990, Part IV, line 28a, 28b, or 28c

<b>Part V</b>	<b>Supplemental Information</b>
---------------	---------------------------------

Complete this part to provide additional information for responses to questions on Schedule L (see instructions).

**SCHEDULE L, PART II, LOANS TO AND FROM INTERESTED PERSONS:**

(A) NAME OF PERSON: DR. GIL WEIZER

(A) PURPOSE OF LOAN: PAYBACK OF AMOUNTS PAID IN ERROR

(B) LOAN TO OR FROM ORGANIZATION? = FROM

(C) ORIGINAL PRINCIPAL AMOUNT \$ 364,782. (D) BALANCE DUE \$ 266,051.

(E) LOAN IN DEFAULT? = NO

(F) APPROVED BY BOARD OR COMMITTEE? = YES

(G) WRITTEN AGREEMENT? = YES

(A) NAME OF PERSON: DR. MICHAEL SCHMIDT

(A) PURPOSE OF LOAN: PRATICE COMMENCEMENT ASSISTANCE

(B) LOAN TO OR FROM ORGANIZATION? = FROM

(C) ORIGINAL PRINCIPAL AMOUNT \$ 75,000. (D) BALANCE DUE \$ 54,808.

(E) LOAN IN DEFAULT? = NO

(F) APPROVED BY BOARD OR COMMITTEE? = YES

(G) WRITTEN AGREEMENT? = YES

SCH L, PART IV, BUSINESS TRANSACTIONS INVOLVING INTERESTED PERSONS:

(A) NAME OF PERSON: A. DATTILO FRUIT COMPANY

(B) RELATIONSHIP BETWEEN INTERESTED PERSON AND ORGANIZATION:

THE BETHANY CIRCLE OF KING'S DAUGHTERS'

Schedule L (Form 990 or 990-EZ) 2011 OF MADISON, INDIANA, INC.

35-0895832 Page 2

**Part V** Supplemental Information

Complete this part to provide additional information for responses to questions on Schedule L (see instructions).

VICE PRESIDENT OF PATIENT SERVICES OF KDHHS HAS 51% OWNERSHIP INTEREST

(C) AMOUNT OF TRANSACTION \$ 45,465.

(D) DESCRIPTION OF TRANSACTION: LISA MORGAN, VICE PRESIDENT OF PATIENT SERVICES OF KDHHS OWNS A 51% INTEREST IN A. DATILLO FRUIT COMPANY. KDHHS PURCHASES PRODUCE FROM A. DATTILO FRUIT COMPANY.

(E) SHARING OF ORGANIZATION REVENUES? = NO

**SCHEDULE O**  
**(Form 990 or 990-EZ)**

Department of the Treasury  
Internal Revenue Service

**Supplemental Information to Form 990 or 990-EZ**

Complete to provide information for responses to specific questions on  
Form 990 or 990-EZ or to provide any additional information.  
▶ Attach to Form 990 or 990-EZ.

OMB No. 1545-0047

**2011**

Open to Public  
Inspection

Name of the organization

THE BETHANY CIRCLE OF KING'S DAUGHTERS'  
OF MADISON, INDIANA, INC.

Employer identification number  
35-0895832

FORM 990, PART I, DOING BUSINESS AS:

THE KING'S DAUGHTERS' HOSPITAL

AND HEALTH SERVICES

FORM 990, PART I, LINE 1, DESCRIPTION OF ORGANIZATION MISSION:

SERVICE, AND EDUCATION.

FORM 990, PART VI, SECTION A, LINE 6: PER THE BYLAWS, THE MEMBERSHIP OF  
THE ORGANIZATION SHALL BE NON-SECTARIAN, NON-POLITICAL AND NOT CONFINED TO  
ANY CHRISTIAN RELIGIOUS DENOMINATION OR SECT. ANY SUCH PERSON OF GOOD  
REPUTE WHO HOLDS HERSELF RESPONSIBLE TO THE KING, CHRIST, OUR LORD AND  
SAVIOR, MAY BECOME A MEMBER OF THE ORGANIZATION. ALL MEMBERS MUST BE AND  
REMAIN PERMANENT RESIDENTS OF THE SERVICE AREA OF THE HOSPITAL, AS  
DETERMINED FROM TIME TO TIME BY THE HOSPITAL BOARD OF MANAGERS, AS A  
CONTINUING REQUIREMENT FOR MEMBERSHIP. FAILURE TO MAINTAIN SUCH RESIDENCY  
STATUS AUTOMATICALLY TERMINATES A PERSON'S MEMBERSHIP. HOSPITAL EMPLOYEES,  
MEMBERS OF THE MEDICAL STAFF, AND THEIR IMMEDIATE FAMILY MEMBERS SHALL NOT  
BE ELIGIBLE FOR MEMBERSHIP IN THE ORGANIZATION. THE IMMEDIATE FAMILY SHALL  
BE DEFINED AS INCLUDING THE MOTHER, FATHER, HUSBAND, WIFE, SISTER, BROTHER,  
DAUGHTER, SON, AND STEPCHILDREN.

FORM 990, PART VI, SECTION A, LINE 7A: THE ORGANIZATION SHALL HAVE TWO (2)  
CLASSES OF MEMBERS, ACTIVE AND HONORARY, AND ALL MEMBERS SHALL HAVE THE  
RIGHTS, PRIVILEGES, DUTIES, LIABILITIES, LIMITATIONS AND RESTRICTIONS AS  
SET FORTH FROM TIME TO TIME IN THE STANDING RULES. ANY ACTIVE MEMBER OF  
THE ORGANIZATION MAY PROPOSE ANY OTHER PERSON MEETING THE ELIGIBILITY



Name of the organization	THE BETHANY CIRCLE OF KING'S DAUGHTERS' OF MADISON, INDIANA, INC.	Employer identification number 35-0895832
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REQUIREMENTS OUTLINED IN PART VI, 7A ABOVE FOR MEMBERSHIP. ONLY ACTIVE MEMBERS IN GOOD STANDING THAT HAVE BEEN A MEMBER FOR AT LEAST TWO ANNIVERSARY YEARS CAN PRESENT A PERSON'S NAME FOR MEMBERSHIP OR TO SERVE ON THE BOARD OF DIRECTORS. A MAJORITY VOTE OF THOSE PRESENT AND VOTING AFFIRMATIVELY AT ANY REGULAR MEETING OF THE ORGANIZATION AT WHICH A QUORUM IS PRESENT SHALL BE SUFFICIENT TO ELECT SUCH PROPOSED PERSON TO MEMBERSHIP. ONLY ACTIVE MEMBERS SHALL HAVE THE RIGHT AT EVERY MEETING OF THE MEMBERS TO CAST ONE (1) VOTE FOR HER MEMBERSHIP. THIS RIGHT TO VOTE MUST BE EXERCISED IN PERSON, OR AS THE BYLAWS MAY PROVIDE FROM TIME TO TIME.

FORM 990, PART VI, SECTION A, LINE 7B: ONLY ACTIVE MEMBERS SHALL HAVE THE RIGHT AT EVERY MEETING OF THE MEMBERS TO CAST ONE (1) VOTE FOR HIS/HER MEMBERSHIP. THIS RIGHT TO VOTE MUST BE EXERCISED IN PERSON, OR AS THE BYLAWS MAY PROVIDE FROM TIME TO TIME.

FORM 990, PART VI, SECTION B, LINE 11: THE PROCESS OF REVIEWING THE FORM 990 ENTAILS A DETAILED REVIEW BY THE ORGANIZATION'S MANAGEMENT. THE BOARD OF MANAGERS RECEIVES A DRAFT COPY OF THE FORM 990 INCLUDING REQUESTED SCHEDULES PRIOR TO FILING WITH THE IRS. CHANGES OR REVISIONS ARE SUGGESTED BY THE BOARD IF NECESSARY. THE BOARD APPROVES THE DRAFT COPY OF THE 990 WITH THE CONTINGENCY THAT THE CHANGES/REVISIONS WILL BE INCORPORATED INTO THE FINAL VERSION OF THE TAX RETURN.

FORM 990, PART VI, SECTION B, LINE 12C: BOARD MEMBERS ARE REQUIRED TO DISCLOSE ANNUALLY INTERESTS THAT COULD GIVE RISE TO CONFLICT. OFFICERS AND KEY EMPLOYEES ARE NOT REQUIRED TO ANNUALLY DISCLOSE INTERESTS THAT COULD GIVE RISE TO CONFLICTS. HOWEVER THE HR CONFLICT OF INTEREST POLICY DOES STATE THAT ANY EMPLOYEE WHO IS AN OFFICER, OWNER, PARTNER OR EMPLOYEE OF AN

Name of the organization	THE BETHANY CIRCLE OF KING'S DAUGHTERS' OF MADISON, INDIANA, INC.	Employer identification number 35-0895832
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ORGANIZATION WITH WHICH THE HOSPITAL MAY ENTER INTO A RELATIONSHIP OR TRANSACTION (OR WHOSE SPOUSE OR CHILD IS AN OFFICER, OWNER, PARTNER OR EMPLOYEE OF AN ORGANIZATION WITH WHICH THE HOSPITAL MAY ENTER INTO A RELATIONSHIP OR TRANSACTION) MUST DISCLOSE THIS INFORMATION TO THE APPROPRIATE VICE PRESIDENT AND THE PRESIDENT/CEO. SHOULD SUCH INFORMATION BE DISCLOSED, THE EMPLOYEE WILL REFRAIN FROM ANY SUBSEQUENT DISCUSSION AND DECISIONS RELATED TO THE OUTSIDE FIRM.

A CONFLICT OF INTEREST STATEMENT MUST BE COMPLETED BY EVERY BOARD MEMBER EACH YEAR. AT SUCH TIME AS ANY MATTER COMES BEFORE THE BOARD CONCERNING AN EXISTING OR CONTEMPLATED TRANSACTION OR RELATIONSHIP BETWEEN THE ORGANIZATION AND ANY PARTY IN WHICH A BOARD MEMBER OR THE SPOUSE OR MINOR CHILDREN OF SUCH BOARD MEMBER HAS AN INTEREST OR OTHERWISE MAY GIVE RISE TO A CONFLICT OF INTEREST BETWEEN THE BOARD MEMBER AND THE ORGANIZATION, THE AFFECTED BOARD MEMBER SHALL MAKE KNOWN THE POTENTIAL CONFLICT, WHETHER DISCLOSED BY HIS OR HER WRITTEN STATEMENT OR NOT, AND AFTER ANSWERING ANY QUESTIONS THAT MIGHT BE ASKED OF HIM OR HER, SHALL WITHDRAW FROM THE MEETING FOR SO LONG AS THE MATTER SHALL CONTINUE UNDER DISCUSSION. SHOULD THE MATTER BE BROUGHT TO A VOTE, THE AFFECTED BOARD MEMBER SHALL NOT VOTE ON IT.

FORM 990, PART VI, SECTION B, LINE 15A: THE HOSPITAL'S BOARD EXECUTIVE COMMITTEE REVIEWS ANNUAL CEO SURVEY INFORMATION FROM THE INDIANA HOSPITAL ASSOCIATION THAT COMPARES THE HOSPITAL'S CEO'S COMPENSATION WITH OTHER HOSPITAL CEO'S IN INDIANA. COMPARISONS ARE MADE WITH HOSPITALS THAT ARE IN THE HOSPITAL'S REGION IN INDIANA, HOSPITALS SIMILAR IN SIZE TO KDHHS, AND HOSPITALS THAT MIGHT REASONABLY BE EXPECTED TO COMPETE FOR SERVICES OF THE HOSPITAL'S CEO. THE CONSUMER PRICE INDEX FOR ALL URBAN CONSUMERS (CPI-U) FOR THE PRIOR TWELVE MONTH PERIOD IS ALSO REVIEWED AND CONSIDERED. THE

Name of the organization	THE BETHANY CIRCLE OF KING'S DAUGHTERS' OF MADISON, INDIANA, INC.	Employer identification number 35-0895832
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EXECUTIVE COMMITTEE, AFTER REVIEWING A STATUS REPORT OF THE CEO'S ANNUAL GOALS, RECOMMENDS CHANGES IN THE CEO'S COMPENSATION TO THE FULL BOARD OF MANAGERS. ANY ACTION TAKEN ON THE RECOMMENDATION IS MADE BY THE FULL BOARD. HOWEVER, PHYSICIAN BOARD MEMBERS WHO ARE HOSPITAL EMPLOYEES DO NOT PARTICIPATE IN VOTING FOR ANY CHANGE TO CEO COMPENSATION. MINUTES ARE TAKEN AT ALL BOARD EXECUTIVE COMMITTEE AND FULL BOARD MEETINGS.

FORM 990, PART VI, SECTION C, LINE 19: THE GOVERNING DOCUMENTS, CONFLICT OF INTEREST, OR FINANCIAL STATEMENTS ARE NOT MADE AVAILABLE FOR PUBLIC INSPECTION. THE FORM 990 TAX RETURN IS AVAILABLE FOR PUBLIC INSPECTION UPON REQUEST.

FORM 990, PART XI, LINE 5, CHANGES IN NET ASSETS:

NET UNREALIZED LOSSES ON INVESTMENTS: -7,432,775.

FORM 990, PART XI, LINE 2C

AUDIT OVERSIGHT

THE HOSPITAL'S FINANCE COMMITTEE ASSUMES RESPONSIBILITY FOR THE SELECTION OF AN INDEPENDENT CERTIFIED PUBLIC ACCOUNTING FIRM TO PERFORM THE ANNUAL AUDIT OF THE FINANCIAL STATEMENTS. THE FINANCE COMMITTEE ALSO IS RESPONSIBLE FOR OVERSIGHT OF THAT AUDIT PROCESS. THE TREASURER OF THE HOSPITAL'S BOARD OF MANAGERS SERVES AS THE CHAIR OF THE FINANCE COMMITTEE. THE FINANCE COMMITTEE REGULARLY MEETS EVERY OTHER MONTH, AND MEETS ONCE PER YEAR WITH THE INDEPENDENT AUDITORS.

SCHEDULE K, PART I, LINE A

DESCRIPTION OF PURPOSE

Name of the organization THE BETHANY CIRCLE OF KING'S DAUGHTERS'  
OF MADISON, INDIANA, INC.

Employer identification number  
35-0895832

THE PURPOSE OF THE BOND ISSUANCE IS TO FINANCE, REFINANCE, OR REIMBURSE  
A PORTION OF THE COSTS OF ACQUIRING, CONSTRUCTING, RENOVATING AND  
EQUIPPING VARIOUS HEALTH CARE FACILITIES OF THE HOSPITAL, INCLUDING A  
REPLACEMENT ACUTE CARE HOSPITAL FACILITY AND A COMMUNITY AND MEDICAL  
ARTS CENTER.

**SCHEDULE R**  
**(Form 990)**

Department of the Treasury  
Internal Revenue Service

**Related Organizations and Unrelated Partnerships**

► Complete if the organization answered "Yes" to Form 990, Part IV, line 33, 34, 35, 36, or 37.  
► Attach to Form 990. ► See separate instructions.

OMB No. 1545-0047

**2011**

**Open to Public  
Inspection**

Name of the organization

THE BETHANY CIRCLE OF KING'S DAUGHTERS'  
OF MADISON, INDIANA, INC.

Employer identification number  
35-0895832

**Part I Identification of Disregarded Entities** (Complete if the organization answered "Yes" to Form 990, Part IV, line 33.)

(a) Name, address, and EIN of disregarded entity	(b) Primary activity	(c) Legal domicile (state or foreign country)	(d) Total income	(e) End-of-year assets	(f) Direct controlling entity

**Part II Identification of Related Tax-Exempt Organizations** (Complete if the organization answered "Yes" to Form 990, Part IV, line 34 because it had one or more related tax-exempt organizations during the tax year)

(a) Name, address, and EIN of related organization	(b) Primary activity	(c) Legal domicile (state or foreign country)	(d) Exempt Code section	(e) Public charity status (if section 501(c)(3))	(f) Direct controlling entity	(g) Section 512(b)(13) controlled entity?	
						Yes	No
THE KING'S DAUGHTERS' HOSPITAL FOUNDATION, INC. - 20-2148950, ONE KING'S DAUGHTERS' DRIVE, MADISON, IN 47250	FUNDRAISING TO SUPPORT THE PROVISION OF HEALTHCARE SERVICES	INDIANA	501(C)(3)	LINE 7 N/A			X

For Paperwork Reduction Act Notice, see the Instructions for Form 990.

Schedule R (Form 990) 2011

**Part III** Identification of Related Organizations Taxable as a Partnership (Complete if the organization answered "Yes" to Form 990, Part IV, line 34 because it had one or more related organizations treated as a partnership during the tax year.)

[illegible]

**Part IV** **Identification of Related Organizations Taxable as a Corporation or Trust** (Complete if the organization answered "Yes" to Form 990, Part IV, line 34 because it had one or more related organizations treated as a corporation or trust during the tax year.)

[illegible]

**THE BETHANY CIRCLE OF KING'S DAUGHTERS'  
OF MADISON, INDIANA, INC.**

35-0895832 Page 3

**Part V Transactions With Related Organizations** (Complete if the organization answered "Yes" to Form 990, Part IV, line 34, 35, 35a, or 36.)

**Note.** Complete line 1 if any entity is listed in Parts II, III, or IV of this schedule.

**1** During the tax year, did the organization engage in any of the following transactions with one or more related organizations listed in Parts II-IV?

**a** Receipt of (i) interest (ii) annuities (iii) royalties or (iv) rent from a controlled entity

**b** Gift, grant, or capital contribution to related organization(s)

**c** Gift, grant, or capital contribution from related organization(s)

**d** Loans or loan guarantees to or for related organization(s)

**e** Loans or loan guarantees by related organization(s)

**f** Sale of assets to related organization(s)

**g** Purchase of assets from related organization(s)

**h** Exchange of assets with related organization(s)

**i** Lease of facilities, equipment, or other assets to related organization(s)

**j** Lease of facilities, equipment, or other assets from related organization(s)

**k** Performance of services or membership or fundraising solicitations for related organization(s)

**l** Performance of services or membership or fundraising solicitations by related organization(s)

**m** Sharing of facilities, equipment, mailing lists, or other assets with related organization(s)

**n** Sharing of paid employees with related organization(s)

**o** Reimbursement paid to related organization(s) for expenses

**p** Reimbursement paid by related organization(s) for expenses

**q** Other transfer of cash or property to related organization(s)

**r** Other transfer of cash or property from related organization(s)

**2** If the answer to any of the above is "Yes," see the instructions for information on who must complete this line, including covered relationships and transaction thresholds.

	(a) Name of other organization	(b) Transaction type (a-r)	(c) Amount involved	(d) Method of determining amount involved
(1)				
(2)				
(3)				
(4)				
(5)				
(6)				

**Part VI Unrelated Organizations Taxable as a Partnership** (Complete if the organization answered "Yes" to Form 990, Part IV, line 37.)

Provide the following information for each entity taxed as a partnership through which the organization conducted more than five percent of its activities (measured by total assets or gross revenue) that was not a related organization. See instructions regarding exclusion for certain investment partnerships.

[illegible]



Complete this part to provide additional information for responses to questions on Schedule R (see instructions)



# **KING'S DAUGHTERS'**

## **Hospital & Health Services**

*A family of caring.*

### **CONSOLIDATED FINANCIAL STATEMENTS**

**DECEMBER 31, 2011 AND 2010**

**THE KING'S DAUGHTERS' HOSPITAL AND HEALTH SERVICES  
AND AFFILIATED ORGANIZATION**

**TABLE OF CONTENTS  
DECEMBER 31, 2011 AND 2010**

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Blue & Co., LLC / 2650 Eastpoint Parkway, Suite 300 / Louisville, KY 40223  
main 502.992.3500 fax 502.992.3509 email blue@blueandco.com

blueandco.com

## REPORT OF INDEPENDENT AUDITORS

**Board of Managers  
The King's Daughters' Hospital and Health  
Services and Affiliated Organization  
Madison, Indiana**

We have audited the accompanying consolidated balance sheets of The King's Daughters' Hospital and Health Services and Affiliated Organization (the "Hospital"), as of December 31, 2011 and 2010, and the related consolidated statements of operations, changes in net assets, and cash flows for the years then ended. These consolidated financial statements are the responsibility of the Hospital's management. Our responsibility is to express an opinion on these consolidated financial statements based on our audits.

We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audits to obtain reasonable assurance about whether the consolidated financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the consolidated financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of the Hospital as of December 31, 2011 and 2010, and the results of its operations, changes in its net assets, and its cash flows for the years then ended in conformity with accounting principles generally accepted in the United States of America.

**Blue & Co., LLC**

April 10, 2012

**THE KING'S DAUGHTERS' HOSPITAL AND HEALTH SERVICES  
AND AFFILIATED ORGANIZATION**

**CONSOLIDATED BALANCE SHEETS  
DECEMBER 31, 2011 AND 2010**

<b>ASSETS</b>		
	<u>2011</u>	<u>2010</u>
<b>Current assets</b>		
Cash and cash equivalents	\$ 7,506,161	\$ 8,773,039
Patient accounts receivable, net of estimated uncollectibles of \$7,849,358 in 2011 and \$6,018,680 in 2010	10,973,022	11,212,808
Inventories	2,113,551	1,970,608
Prepaid expenses and other current assets	959,241	1,014,438
Other assets - current portion	<u>239,296</u>	<u>287,519</u>
Total current assets	21,791,271	23,258,412
<b>Assets whose use is limited</b>	126,169,120	152,056,023
<b>Property and equipment</b>		
Land	5,442,188	5,442,334
Buildings and improvements	42,619,440	42,708,291
Fixtures and equipment	<u>39,145,333</u>	<u>39,259,583</u>
	87,206,961	87,410,208
Less accumulated depreciation	<u>56,408,610</u>	<u>54,959,170</u>
	30,798,351	32,451,038
Construction in progress	<u>45,306,108</u>	<u>10,036,485</u>
Property and equipment, net	76,104,459	42,487,523
<b>Other assets, net of current portion</b>	4,016,090	4,125,848
<b>Investments - long term</b>	<u>1,000,000</u>	<u>1,000,000</u>
 Total assets	 <u>\$ 229,080,940</u>	 <u>\$ 222,927,806</u>

*See accompanying notes to consolidated financial statements.*

**THE KING'S DAUGHTERS' HOSPITAL AND HEALTH SERVICES  
AND AFFILIATED ORGANIZATION**

**CONSOLIDATED BALANCE SHEETS  
DECEMBER 31, 2011 AND 2010**

**LIABILITIES AND NET ASSETS**

	<u>2011</u>	<u>2010</u>
<b>Current liabilities</b>		
Accounts payable	\$ 5,301,274	\$ 1,487,374
Accrued payroll and payroll withholdings	1,096,656	1,056,813
Accrued expenses	7,124,228	6,086,890
Estimated third-party payor settlements	1,045,638	300,000
Current portion of obligations under capital leases	<u>536,897</u>	<u>615,639</u>
Total current liabilities	15,104,693	9,546,716
<b>Long-term liabilities</b>		
Obligations under capital leases, net of current portion	358,968	493,098
Long-term debt, net of current portion	97,894,119	97,853,607
Deferred compensation liabilities	<u>993,354</u>	<u>851,683</u>
Total long-term liabilities	<u>99,246,441</u>	<u>99,198,388</u>
 Total liabilities	 114,351,134	 108,745,104
<b>Net assets</b>		
Controlling interest net assets		
Unrestricted	114,586,599	114,032,135
Temporarily restricted	119,738	127,154
Permanently restricted	<u>10,000</u>	<u>10,000</u>
Total controlling interest net assets	114,716,337	114,169,289
Noncontrolling interest	<u>13,469</u>	<u>13,413</u>
Total net assets	<u>114,729,806</u>	<u>114,182,702</u>
 Total liabilities and net assets	 <u>\$ 229,080,940</u>	 <u>\$ 222,927,806</u>

*See accompanying notes to consolidated financial statements.*

# THE KING'S DAUGHTERS' HOSPITAL AND HEALTH SERVICES AND AFFILIATED ORGANIZATION

## CONSOLIDATED STATEMENTS OF OPERATIONS YEARS ENDED DECEMBER 31, 2011 AND 2010

	<u>2011</u>	<u>2010</u>
<b>Changes in unrestricted net assets</b>		
<b>Operating revenues</b>		
Net patient service revenue	\$ 109,149,858	\$ 111,975,580
Other revenue	527,783	536,908
Net assets released from restrictions	<u>47,436</u>	<u>52,787</u>
Total operating revenues	109,725,077	112,565,275
<b>Operating expenses</b>		
Salaries and wages	48,484,945	49,187,752
Employee benefits and payroll taxes	12,146,490	12,463,469
Professional medical fees	665,403	853,642
Medical supplies	3,959,080	4,374,337
Other supplies	1,142,366	1,208,101
Drugs	6,482,645	6,298,600
Purchased services	6,974,880	6,153,849
Utilities	1,513,478	1,513,352
Insurance	1,112,236	1,301,390
Depreciation and amortization	5,092,124	4,982,410
Interest	63,742	601,187
Provision for bad debts	13,857,055	13,575,949
Other operating expenses	<u>5,315,744</u>	<u>4,940,265</u>
Total operating expenses	<u>106,810,188</u>	<u>107,454,303</u>
Income from operations	2,914,889	5,110,972
<b>Nonoperating revenues (expenses)</b>	<u>(2,341,585)</u>	<u>4,967,403</u>
Change in unrestricted net assets	573,304	10,078,375
<b>Changes in temporarily restricted net assets</b>		
Contributions	40,020	62,386
Net assets released from restrictions	<u>(47,436)</u>	<u>(52,787)</u>
Change in temporarily restricted net assets	<u>(7,416)</u>	<u>9,599</u>
Change in net assets	565,888	10,087,974
Less amount attributable to noncontrolling interest	<u>(18,840)</u>	<u>(36,024)</u>
Change in net assets attributable to controlling interest	<u>\$ 547,048</u>	<u>\$ 10,051,950</u>

*See accompanying notes to consolidated financial statements.*

# THE KING'S DAUGHTERS' HOSPITAL AND HEALTH SERVICES AND AFFILIATED ORGANIZATION

## CONSOLIDATED STATEMENTS OF CHANGES IN NET ASSETS YEARS ENDED DECEMBER 31, 2011 AND 2010

	<u>Controlling Interest</u>	<u>Noncontrolling Interest</u>	<u>Total</u>
<b>Net asset balances</b>			
December 31, 2009	\$ 104,117,339	\$ 44,969	\$ 104,162,308
Consolidated change in net assets	10,051,950	36,024	\$ 10,087,974
Distributions	<u>-0-</u>	<u>(67,580)</u>	<u>(67,580)</u>
December 31, 2010	\$ 114,169,289	\$ 13,413	\$ 114,182,702
Consolidated change in net assets	547,048	18,840	565,888
Distributions	<u>-0-</u>	<u>(18,784)</u>	<u>(18,784)</u>
December 31, 2011	<u>\$ 114,716,337</u>	<u>\$ 13,469</u>	<u>\$ 114,729,806</u>

*See accompanying notes to consolidated financial statements.*



# THE KING'S DAUGHTERS' HOSPITAL AND HEALTH SERVICES AND AFFILIATED ORGANIZATION

## CONSOLIDATED STATEMENTS OF CASH FLOWS YEARS ENDED DECEMBER 31, 2011 AND 2010

	2011	2010
<b>Cash flows from operating activities</b>		
Total change in net assets	\$ 565,888	\$ 10,087,974
Adjustments to reconcile total change in net assets to net cash from operating activities		
Depreciation	5,038,892	4,934,235
Amortization	53,232	48,175
Provision for bad debts	13,857,055	13,575,949
Loss on write-off of bond costs on retired bonds	-0-	790,218
Loss on disposal of capital assets	154,574	7,514
Amortization of bond discount	40,512	6,549
Net realized gains and losses and unrealized gains and losses on investments	3,218,843	(4,436,347)
Changes in operating assets and liabilities		
Patient accounts receivable	(13,617,269)	(13,043,644)
Inventories	(142,943)	(80,753)
Prepaid expenses and other current assets	55,197	60,240
Accounts payable	(377,797)	(232,012)
Accrued payroll and payroll withholdings	39,843	225,355
Accrued expenses	1,037,338	132,233
Estimated third-party payor settlements	745,638	(800,000)
Net cash from operating activities	10,669,003	11,275,686
<b>Cash flows from investing activities</b>		
Purchases of property and equipment	(34,187,032)	(9,556,848)
Proceeds from sale of capital assets	20,060	9,400
Change in investments	-0-	9,108,548
Change in assets whose use is limited	22,668,060	(97,019,712)
Change in other assets	115,030	(99,736)
Change in deferred compensation liabilities	141,671	121,248
Net cash from investing activities	(11,242,211)	(97,437,100)
<b>Cash flows from financing activities</b>		
Principal payments on obligations under capital leases	(664,605)	(563,043)
Principal payments on long-term debt	-0-	(12,050,000)
Payment on bond issuance costs	(10,281)	(1,851,812)
Change in bond discount	-0-	(2,187,942)
Borrowings on long-term debt	-0-	100,035,000
Distributions to minority interest holders	(18,784)	(67,580)
Net cash from financing activities	(693,670)	83,314,623
Net change in cash and cash equivalents	(1,266,878)	(2,846,791)
Cash and cash equivalents, beginning of year	8,773,039	11,619,830
Cash and cash equivalents, end of year	\$ 7,506,161	\$ 8,773,039

*See accompanying notes to consolidated financial statements.*

**THE KING'S DAUGHTERS' HOSPITAL AND HEALTH SERVICES  
AND AFFILIATED ORGANIZATION**

**CONSOLIDATED STATEMENTS OF CASH FLOWS  
YEARS ENDED DECEMBER 31, 2011 AND 2010**

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	<u>2011</u>	<u>2010</u>
<b>Supplemental disclosure of cash flow information</b>		
Cash paid during the year for interest	<u>\$ 310,643</u>	<u>\$ 607,249</u>
<b>Supplemental disclosure of noncash operating and investing activities</b>		
Property and equipment acquired under accounts payable	<u>\$ 4,191,697</u>	<u>\$ 483,522</u>
<b>Supplemental disclosure of noncash investing and financing activities</b>		
Property and equipment acquired under capital leases	<u>\$ 451,733</u>	<u>\$ 343,147</u>

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*See accompanying notes to consolidated financial statements.*

# **THE KING'S DAUGHTERS' HOSPITAL AND HEALTH SERVICES AND AFFILIATED ORGANIZATION**

## **NOTES TO CONSOLIDATED FINANCIAL STATEMENTS DECEMBER 31, 2011 AND 2010**

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### **1. NATURE OF OPERATIONS**

The King's Daughters' Hospital and Health Services ("KDHHS") is a not-for-profit, acute care hospital owned by the Bethany Circle of King's Daughters' of Madison, Indiana, Inc., located in Madison, Indiana. KDHHS is organized for the purpose of providing healthcare services to the residents of Jefferson County and the surrounding area. KDHHS's primary sources of support are from patient revenues. Patient revenues include funds received from Medicare, state agencies, insurance companies, and the patients themselves.

Madison Catheterization Services, LLC ("MCS"), is a limited liability company owned 51 percent by KDHHS. MCS performs catheterization services for the residents of Jefferson County, Indiana and surrounding areas. MCS's primary source of support is from patient revenues.

### **2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

The significant accounting policies followed by KDHHS and MCS (collectively the "Hospital") in the preparation of the consolidated financial statements are summarized below:

#### **Reporting Entity and Consolidation Policy**

The accompanying consolidated financial statements include the accounts of KDHHS and MCS. Intercompany transactions and balances have been eliminated in consolidation.

#### **Management's Estimates**

Management uses estimates and assumptions in preparing the consolidated financial statements in accordance with accounting principles generally accepted in the United States of America. Those estimates and assumptions affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities, if any, and the reported revenues and expenses. Actual results could vary from the estimates that were used.

#### **Cash and Cash Equivalents**

Cash and cash equivalents include certain investments in highly liquid debt instruments with original maturities of three months or less excluding amounts included in assets whose use is limited.

# **THE KING'S DAUGHTERS' HOSPITAL AND HEALTH SERVICES AND AFFILIATED ORGANIZATION**

## **NOTES TO CONSOLIDATED FINANCIAL STATEMENTS DECEMBER 31, 2011 AND 2010**

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### **Investments**

Investments include shares of preferred stock in a local bank, with a term of five years and carrying a dividend rate of 7.25 percent. Investments are recorded at cost, which approximates market value.

### **Patient Accounts Receivable and Net Patient Service Revenue**

The Hospital has agreements with third-party payors that provide for payments to the Hospital at amounts different from its established rates. Payment arrangements include prospectively determined rates per discharge, reimbursed costs, discounted charges, and fee schedule payments. Patient accounts receivable and net patient service revenue are reported at the estimated net realizable amounts from patients, third-party payors, and others for services rendered, including estimated retroactive adjustments under reimbursement agreements with third-party payors. Retroactive adjustments are accrued on an estimated basis in the period the related services are rendered and adjusted in future periods as final settlements are determined.

### **Allowances for Patient Uncollectible Accounts**

The Hospital estimates an allowance for uncollectible patient accounts receivable based on an evaluation of the aging of the accounts, historical losses, current economic conditions, and other factors unique to their service area and the healthcare industry.

### **Inventories**

Inventories consist of medical supplies, pharmaceuticals, and office supplies and are valued at the lower-of-cost or market, with cost being determined on the first-in, first-out (FIFO) method.

### **Assets Whose Use is Limited**

Assets whose use is limited include assets set aside by the Hospital's Board of Managers for future capital improvements and other long-term uses, over which the Board retains control and may at its discretion subsequently use for other purposes; assets held by trustees under indenture agreements; temporarily restricted assets whose use by the Hospital has been limited by donors to a specific time period or purpose; permanently restricted net assets whose use by the Hospital has been restricted by donors in perpetuity; and deferred compensation assets related to certain deferred compensation agreements.

Investments in equity securities with readily determinable fair values and all investments in debt securities are measured at fair market value in the consolidated balance sheets. Investment income or loss, including unrealized gains and losses on trading securities, interest, and dividends is included in nonoperating gains of unrestricted net assets, unless the income is restricted by donor or law.

# **THE KING'S DAUGHTERS' HOSPITAL AND HEALTH SERVICES AND AFFILIATED ORGANIZATION**

## **NOTES TO CONSOLIDATED FINANCIAL STATEMENTS DECEMBER 31, 2011 AND 2010**

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### **Property and Equipment**

Property and equipment are recorded at cost, except for donations, which are recorded at the fair market value at the date of the donation.

Property and equipment include expenditures for additions and repairs which substantially increase the useful lives of existing property and equipment. Maintenance, repairs, and minor improvements are expensed as incurred.

The property and equipment of the Hospital are being depreciated using the straight-line method of depreciation over their estimated useful lives based upon the American Hospital Association's *Estimated Useful Lives of Depreciable Hospital Assets*.

### **Cost of Borrowing**

Interest costs incurred on borrowed funds during the period of construction of capital assets, if any, are capitalized as a component of the cost of acquiring those assets. For the years ended December 31, 2011 and 2010, interest costs incurred were as follows:

	<u>2011</u>	<u>2010</u>
Interest costs capitalized	\$ 3,837,962	\$ 851,069
Interest costs expensed	<u>63,742</u>	<u>601,187</u>
Interest costs incurred	<u>\$ 3,901,704</u>	<u>\$ 1,452,256</u>

### **Temporarily and Permanently Restricted Net Assets**

Temporarily restricted net assets are those whose use by the Hospital has been limited by donors to a specific time period or purpose. Permanently restricted net assets have been restricted by donors to be maintained by the Hospital in perpetuity.

### **Consolidated Statements of Operations**

For purposes of display, transactions deemed by management to be ongoing, major, or central to the provision of healthcare services are reported as operating revenues and expenses and included within the line *income from operations* in the Consolidated Statements of Operations. Peripheral and incidental transactions are reported as nonoperating revenues (expenses). Nonoperating revenues (expenses) which are excluded from *income from operations* include contributions and donations, investment income or loss, and gain or loss on disposal of capital assets.

# **THE KING'S DAUGHTERS' HOSPITAL AND HEALTH SERVICES AND AFFILIATED ORGANIZATION**

## **NOTES TO CONSOLIDATED FINANCIAL STATEMENTS DECEMBER 31, 2011 AND 2010**

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### **Performance Indicator**

The Consolidated Statements of Operations include *change in unrestricted net assets*. Consistent with industry practice, changes in net assets which are excluded from *change in unrestricted net assets* include, if any, unrealized gains and losses on investments other than trading securities, permanent transfers of assets to and from affiliates for other than goods and services, and contributions of long-lived assets (including assets acquired using contributions which by donor restriction were to be used for the purposes of acquiring such assets.)

### **Charity Care**

The Hospital provides care to patients who meet certain criteria under its charity care policy without charge or at amounts less than its established rates. Amounts determined to qualify as charity care are reported as deductions from revenue.

### **Donor-Restricted Gifts**

Unconditional promises to give cash and other assets to the Hospital are reported at fair value at the date the promise is received. Conditional promises to give and indications of intentions to give, if any, are reported at fair value at the date the gift is received. The gifts are reported as either temporarily or permanently restricted revenue if they are received with donor stipulations that limit the use of the donated assets. When a donor restriction expires, that is, when a stipulated time restriction ends or purpose restriction is accomplished, temporarily restricted net assets are reclassified as unrestricted net assets and reported in the consolidated statements of operations as net assets released from restrictions. Donor-restricted contributions whose restrictions are met within the same year as received are reported as unrestricted contributions in the accompanying consolidated financial statements.

### **Income Taxes**

KDHHS is a not-for-profit corporation as described in Section 501(c)(3) of the Internal Revenue Code and is exempt from federal income taxes on related income pursuant to Section 501(a) of the Code.

MCS is a limited liability company which is treated as a partnership for income tax purposes. As such, net taxable income or loss is taxed directly to the members and not to MCS. Accordingly, income taxes have not been reflected in the accompanying consolidated financial statements.

Accounting principles generally accepted in the United States of America require management to evaluate tax positions taken by the Hospital and recognize a tax liability if the Hospital has taken an uncertain tax position that more likely than not would not be sustained upon examination by various federal and state taxing authorities. Management

# **THE KING'S DAUGHTERS' HOSPITAL AND HEALTH SERVICES AND AFFILIATED ORGANIZATION**

## **NOTES TO CONSOLIDATED FINANCIAL STATEMENTS DECEMBER 31, 2011 AND 2010**

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has analyzed the tax positions taken by the Hospital, and has concluded that as of December 31, 2011 and 2010, there are no uncertain positions taken or expected to be taken that would require recognition of a liability or disclosure in the accompanying consolidated financial statements. The Hospital is subject to routine audits by taxing jurisdictions; however, there are currently no audits for any tax periods in progress.

### **Risk Management**

The Hospital is exposed to various risks of loss from torts; theft of, damage to, and destruction of assets; business interruption; errors and omissions; employee injuries and illnesses; natural disasters; and employee health and accident benefits. Commercial insurance coverage is purchased for claims arising from such matters. Settled claims have not exceeded this commercial coverage in any of the three preceding years. The Hospital is insured for medical malpractice claims and judgments.

### **Non-Controlling Interest**

Non-controlling interests represent the portion of the equity (net assets) that is attributable to investors that are external to and not included in the Hospital's consolidated financial statements.

### **Reclassifications**

Certain 2010 amounts have been reclassified to provide for consistency with reporting of 2011 information. These reclassifications have no effect on the previously reported total change in net assets or net assets.

### **Subsequent Events**

The Hospital has evaluated events or transactions occurring subsequent to the consolidated balance sheet date for recognition and disclosure in the accompanying consolidated financial statements through the date the consolidated financial statements are issued, which is April 10, 2012.

# THE KING'S DAUGHTERS' HOSPITAL AND HEALTH SERVICES AND AFFILIATED ORGANIZATION

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS DECEMBER 31, 2011 AND 2010

### 3. ASSETS WHOSE USE IS LIMITED

Assets whose use is limited are reported at market value and include the following at December 31, 2011 and 2010:

	2011	%	2010	%
Cash and cash equivalents	\$ 32,251,437	25.6 %	\$ 20,431,488	13.4 %
Common stock and options	11,876,170	9.4	29,487,515	19.4
Mutual funds	26,406,317	20.9	10,773,486	7.1
Asset-backed securities	1,357,892	1.1	1,202,491	0.8
International bonds	38,674	0.0	49,083	0.0
Corporate bonds	1,083,490	0.9	898,912	0.6
U.S. Government securities	53,155,140	42.1	89,213,048	58.7
<b>Total assets whose use is limited</b>	<b>\$ 126,169,120</b>	<b>100.0 %</b>	<b>\$ 152,056,023</b>	<b>100.0 %</b>

  

	2011	%	2010	%
Board-Designated Funds	\$ 47,191,403	37.4 %	\$ 48,304,898	31.8 %
Trustee-Held Funds	77,854,625	61.7	102,762,288	67.6
Donor-Restricted Funds	129,738	0.1	137,154	0.1
Deferred Compensation	993,354	0.8	851,683	0.5
<b>Total</b>	<b>\$ 126,169,120</b>	<b>100.0 %</b>	<b>\$ 152,056,023</b>	<b>100.0 %</b>

Investment income is comprised of the following for the years ended December 31, 2011 and 2010:

	2011	2010
Dividends and interest income	\$ 1,328,136	\$ 1,718,531
Realized gains (losses) on investments	4,213,932	1,006,095
Change in net unrealized gains (losses) on investments	(7,432,775)	3,430,252
Investment fees	(279,822)	(271,595)
<b>Total investment income, net</b>	<b>\$ (2,170,529)</b>	<b>\$ 5,883,283</b>

#### Board-Designated Funds

The Hospital's Board of Managers approved the funding of depreciation expense to meet the capital asset replacement needs of the facility. Depreciation is funded totally with expenditures for capital assets reducing the funded depreciation balance. All income earned by the Board-designated funds is left to accumulate as additions to the funds.



# **THE KING'S DAUGHTERS' HOSPITAL AND HEALTH SERVICES AND AFFILIATED ORGANIZATION**

## **NOTES TO CONSOLIDATED FINANCIAL STATEMENTS DECEMBER 31, 2011 AND 2010**

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### **Trustee-Held Funds**

The trustee-held funds are restricted for the payments of principal, interest, and construction costs related to certain long-term debt agreements.

### **Donor-Restricted Funds**

Donor-restricted funds represent contributions that have been restricted by the donors for a specific purpose.

### **Deferred Compensation Funds**

The deferred compensation funds represent assets that have accumulated under separate deferred compensation plans. The Hospital simply maintains the funds for the participants until they are withdrawn according to the specific terms of each separate deferred compensation agreement. The Hospital records liabilities equal to the deferred compensation assets.

### **Fair Value Measurements and Disclosures**

Major classes of assets and liabilities that are measured at fair value are categorized according to a fair value hierarchy that prioritizes the inputs to value techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1) and the lowest priority to unobservable inputs (Level 3).

Level 1 inputs are readily determinable using unadjusted quoted prices for identical assets or liabilities in active markets. Level 2 inputs are derived from quoted prices for similar assets or liabilities in active markets; quoted prices for identical or similar assets or liabilities in inactive markets (other than those included in Level 1) which are observable for the asset or liability, either directly or indirectly. Level 3 inputs are derived from valuation techniques in which one or more significant inputs or significant value drivers are unobservable. If the inputs used fall within different levels of the hierarchy, the categorization is based upon the lowest level input that is significant to the fair value measurement.

# THE KING'S DAUGHTERS' HOSPITAL AND HEALTH SERVICES AND AFFILIATED ORGANIZATION

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS DECEMBER 31, 2011 AND 2010

Assets and liabilities measured at fair value on a recurring basis as of December 31, 2011 are as follows:

	Level 1	Level 2	Level 3	Total
<b>Assets whose use is limited</b>				
Common stocks				
Basic materials	\$ 297,015	\$ -0-	\$ -0-	\$ 297,015
Consumer discretionary	689,308	-0-	-0-	689,308
Consumer goods	424,861	-0-	-0-	424,861
Consumer services	789,666	-0-	-0-	789,666
Consumer staples	312,535	-0-	-0-	312,535
Energy	943,607	-0-	-0-	943,607
Financials	2,037,255	-0-	-0-	2,037,255
Health care	1,178,876	-0-	-0-	1,178,876
Industrials	1,491,394	-0-	-0-	1,491,394
Information technology	1,388,047	-0-	-0-	1,388,047
Materials	579,085	-0-	-0-	579,085
Oil and gas	676,410	-0-	-0-	676,410
Technology	827,258	-0-	-0-	827,258
Telecommunication	104,748	-0-	-0-	104,748
Utilities	136,105	-0-	-0-	136,105
	<u>11,876,170</u>	<u>-0-</u>	<u>-0-</u>	<u>11,876,170</u>
Mutual funds				
Fixed Income	3,481,187	-0-	-0-	3,481,187
REITs	797,755	-0-	-0-	797,755
Commodities	1,118,429	-0-	-0-	1,118,429
Specialty - dividends	725,945	-0-	-0-	725,945
Domestic large cap core	9,126,060	-0-	-0-	9,126,060
Domestic large cap growth	773,635	-0-	-0-	773,635
Domestic large cap value	794,179	-0-	-0-	794,179
Domestic mid cap core	3,318,591	-0-	-0-	3,318,591
Domestic small cap growth	339,840	-0-	-0-	339,840
Domestic small cap value	349,123	-0-	-0-	349,123
Domestic all cap core	649,430	-0-	-0-	649,430
International developed	3,021,824	-0-	-0-	3,021,824
International emerging markets	1,910,319	-0-	-0-	1,910,319
	<u>26,406,317</u>	<u>-0-</u>	<u>-0-</u>	<u>26,406,317</u>
Asset backed securities	-0-	1,357,892	-0-	1,357,892
International bonds				
Materials	-0-	38,674	-0-	38,674

# THE KING'S DAUGHTERS' HOSPITAL AND HEALTH SERVICES AND AFFILIATED ORGANIZATION

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS DECEMBER 31, 2011 AND 2010

Corporate bonds				
Consumer discretionary	-0-	106,393	-0-	106,393
Consumer staples	-0-	96,236	-0-	96,236
Energy	-0-	46,701	-0-	46,701
Financials	-0-	495,703	-0-	495,703
Industrials	-0-	193,409	-0-	193,409
Information technology	-0-	44,208	-0-	44,208
Materials	-0-	51,949	-0-	51,949
Telecommunications	-0-	48,891	-0-	48,891
	-0-	1,083,490	-0-	1,083,490
U.S. Government Securities				
U.S. Treasury notes	-0-	2,634,028	-0-	2,634,028
U.S. Treasury inflation notes	-0-	445,108	-0-	445,108
Federal National Mortgage Association	-0-	16,155,918	-0-	16,155,918
Federal Home Loan Mortgage Corp	-0-	20,018,364	-0-	20,018,364
Federal Home Loan Bank Discount	-0-	13,901,722	-0-	13,901,722
	-0-	53,155,140	-0-	53,155,140
	<u>\$ 38,282,487</u>	<u>\$ 55,635,196</u>	<u>\$ -0-</u>	<u>\$ 93,917,683</u>

Assets and liabilities measured at fair value on a recurring basis as of December 31, 2010 are as follows:

	Level 1	Level 2	Level 3	Total
Assets whose use is limited				
Common stock and options	\$ 29,487,515	\$ -0-	\$ -0-	\$ 29,487,515
Mutual funds	10,773,486	-0-	-0-	10,773,486
Asset-backed securities	-0-	1,202,491	-0-	1,202,491
International bonds	-0-	49,083	-0-	49,083
Corporate bonds	-0-	898,912	-0-	898,912
U.S. Government securities	-0-	89,213,048	-0-	89,213,048
	<u>\$ 40,261,001</u>	<u>\$ 91,363,534</u>	<u>\$ -0-</u>	<u>\$ 131,624,535</u>

# THE KING'S DAUGHTERS' HOSPITAL AND HEALTH SERVICES AND AFFILIATED ORGANIZATION

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS DECEMBER 31, 2011 AND 2010

### 4. OTHER ASSETS

Other assets consist of the following at December 31, 2011 and 2010:

	2011	2010
Bond issue costs, net of accumulated amortization	\$ 1,800,190	\$1,843,141
Goodwill of physician practices, net of accumulated amortization	1,354,067	1,354,067
Investment in captive insurance company	335,311	335,311
Notes receivable	<u>765,818</u>	<u>880,848</u>
Total other assets	4,255,386	4,413,367
Less: current portion of other assets	<u>(239,296)</u>	<u>(287,519)</u>
Other assets, net of current portion	<u>\$ 4,016,090</u>	<u>\$4,125,848</u>

Bond issue costs are being amortized over the 35-year life of the bonds beginning in 2010.

Goodwill relates to the purchase of physician practices in 1997 and 2000. Goodwill is tested each year to determine whether there is any impairment.

The Hospital is an 11 percent owner of Indiana Healthcare Reciprocal Risk Retention Group, a risk retention company created to purchase professional liability and general liability insurance for its members. The Hospital accounts for this investment using the cost method.

Physician recruiting notes receivable are forgiven if the physicians meet the period of service requirement. If the physicians do not meet the period-of-service requirement, the notes are immediately due in full. Other physician notes receivable are paid back over the terms of the notes. All physician notes receivable are in varying amounts maturing through July 2017 and carry interest rates ranging from 3.25 percent to 9.25 percent.

The current portion of other assets represents the amount of notes receivable from physicians expected to be repaid or forgiven in the next fiscal year, according to individual employment contracts.

During 2010, the Hospital repaid the remaining outstanding balance of the 1997 Revenue Bonds. As a result of this repayment, the Hospital incurred a loss of \$790,218 due mostly to the remaining unamortized portion of bond issue costs associated with the 1997 Revenue Bonds. This loss is reported in Nonoperating revenues on the Consolidated Statements of Operations.

# THE KING'S DAUGHTERS' HOSPITAL AND HEALTH SERVICES AND AFFILIATED ORGANIZATION

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS DECEMBER 31, 2011 AND 2010

### 5. OBLIGATIONS UNDER CAPITAL LEASES

The Hospital is the lessee of certain equipment under capital leases expiring in various years through 2016. The assets and liabilities under capital leases are initially recorded at the lower of the present value of the minimum lease payments or the fair value of the asset. Amortization of assets held under capital leases is included in depreciation expense and was \$570,503 and \$500,227 for the years ended December 31, 2011 and 2010, respectively.

Following is a summary of property held under capital leases:

	<u>2011</u>	<u>2010</u>
Equipment	\$3,027,873	\$2,591,140
Less: accumulated amortization	<u>2,066,869</u>	<u>1,506,902</u>
	<u>\$ 961,004</u>	<u>\$1,084,238</u>

Minimum future lease payments under capital leases as of December 31, 2011 are as follows:

<u>Year Ending December 31,</u>	<u>Amount</u>
2012	\$ 585,229
2013	127,783
2014	112,283
2015	107,572
2016	<u>41,346</u>
	974,213
Less: amount representing interest	<u>78,348</u>
Present value of minimum lease payments	<u>\$ 895,865</u>

# THE KING'S DAUGHTERS' HOSPITAL AND HEALTH SERVICES AND AFFILIATED ORGANIZATION

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS DECEMBER 31, 2011 AND 2010

### 6. LONG-TERM DEBT

At December 31, 2011 and 2010, the Hospital was obligated for long-term debt agreements as follows:

	<u>2011</u>	<u>2010</u>
Indiana Finance Authority Hospital Revenue Bonds, dated October 2010, payable in annual principal installments commencing August 2015 through August 2045, in amounts ranging from \$1,370,000 to \$6,400,000. Serial remaining fixed interest rates ranging from 4.5% to 5.5%. Secured by gross revenues.	\$ 100,035,000	\$100,035,000
Less unamortized bond discounts	<u>(2,140,881)</u>	<u>(2,181,393)</u>
Long-term debt, net of current portion	<u>\$ 97,894,119</u>	<u>\$ 97,853,607</u>

Maturities of long-term debt for each of the five years subsequent to December 31, 2011, are as follows:

<u>Year Ending December 31,</u>	<u>Principal Amount</u>
2012	\$ -0-
2013	-0-
2014	-0-
2015	1,370,000
2016	1,430,000
Thereafter	97,235,000
Unamortized bond discounts	<u>(2,140,881)</u>
Total	<u>\$ 97,894,119</u>

Under the terms of the Series 2010 Bonds, the Hospital is required to maintain certain deposits with a trustee. Such deposits are reported in the consolidated financial statements as assets whose use is limited. These agreements also place limits on the occurrence of additional borrowings and require that the Hospital satisfy certain covenants, including debt service coverage ratio, days cash on hand, and submission of audited financial statements.

**THE KING'S DAUGHTERS' HOSPITAL AND HEALTH SERVICES  
AND AFFILIATED ORGANIZATION**

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS  
DECEMBER 31, 2011 AND 2010**

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**7. TEMPORARILY AND PERMANENTLY RESTRICTED NET ASSETS**

Temporarily restricted net assets are donor-restricted for a specific use or by the passage of time. Permanently restricted net assets are donor-restricted assets whereby the principal amount is never to be expended. Income earned from these principal amounts includes both temporarily restricted and unrestricted amounts. Temporarily and permanently restricted net assets include the following at December 31, 2011 and 2010:

	<u>2011</u>	<u>2010</u>
Temporarily restricted		
Prenatal/Postnatal Education Program Fund	\$ 1,933	\$ 2,012
Tobacco Settlement Fund	100,868	108,843
Teen Event Fund	6,751	6,751
Girls on the Run Fund	5,555	4,926
May Library Fund	<u>4,631</u>	<u>4,622</u>
 Total temporarily restricted net assets	 <u>\$ 119,738</u>	 <u>\$ 127,154</u>
 Permanently restricted		
Heberhart Endowment	 <u>\$ 10,000</u>	 <u>\$ 10,000</u>

**8. ENDOWMENT**

The Hospital's endowment consists of one individual donor-restricted fund established by the donor to function as an endowment. As required by accounting principles generally accepted in the United States of America, net assets associated with endowment funds, including funds designated by the Board of Managers to function as endowments, are classified and reported based on the existence or absence of donor-imposed restrictions.

The Board of Managers has interpreted the Uniform Prudent Management of Institutional Funds Act ("UPMIFA") as requiring the preservation of the fair value of the original gift as of the gift date of the donor-restricted endowment funds absent explicit donor stipulations to the contrary. As a result of this interpretation, the Hospital classifies as permanently restricted net assets (a) the original value of the gifts donated to the permanent endowment, (b) the original value of subsequent gifts to the permanent endowment, and (c) accumulations to the permanent endowment made in accordance with the direction of the applicable donor gift instrument at the time the accumulation is added to the fund.

The remaining portion of the donor-restricted endowment fund that is not classified in permanently restricted net assets, if any, is classified as temporarily restricted net assets until those amounts are appropriated for expenditure by the Hospital in a manner consistent with the standard of prudence prescribed by UPMIFA. In accordance with UPMIFA, the Hospital considers the following factors in making a determination to appropriate or accumulate donor-restricted endowment funds.

# **THE KING'S DAUGHTERS' HOSPITAL AND HEALTH SERVICES AND AFFILIATED ORGANIZATION**

## **NOTES TO CONSOLIDATED FINANCIAL STATEMENTS DECEMBER 31, 2011 AND 2010**

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- (1) The duration and preservation of the fund
- (2) The purposes of the Hospital and the donor-restricted endowment fund
- (3) General economic conditions
- (4) The possible effect of inflation and deflation
- (5) The expected total return from income and the appreciation of investments
- (6) Other resources of the Hospital
- (7) The investment policies of the Hospital

The Hospital has adopted investment and spending policies for endowment assets that attempt to balance the mission of building capital for future use with the corresponding obligation to support current and future needs of the Hospital. Endowment assets include those assets of donor-restricted funds that the organization must hold in perpetuity or for a donor-specified period. Under this policy, as approved by the Board of Managers, the endowment assets are invested in a manner that is intended to produce long-term growth of capital without undue exposure to risk.

To satisfy its long-term rate of return objectives, the Hospital relies on a total return strategy in which investment decisions shall be made with the intent of maximizing the long-term total return of the portfolio through market value changes (realized and unrealized) and through earned income (dividends and interest).

On balances of endowed funds, as of the beginning of each fiscal year, an amount as determined by the Hospital Board will be distributed for the intended purposes of the endowment annually. Growth of the endowment will come from the annual earnings of investments in excess of distributions plus contributions made to the endowment.



**THE KING'S DAUGHTERS' HOSPITAL AND HEALTH SERVICES  
AND AFFILIATED ORGANIZATION**

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS  
DECEMBER 31, 2011 AND 2010**

**Endowment Net Asset Composition by Type of Fund as of December 31, 2011:**

	<u>Temporarily Restricted</u>	<u>Permanently Restricted</u>	<u>Total</u>
Donor restricted endowment funds	<u>\$ -0-</u>	<u>\$ 10,000</u>	<u>\$ 10,000</u>

**Changes in Endowment Net Assets for the Year Ended December 31, 2011:**

	<u>Temporarily Restricted</u>	<u>Permanently Restricted</u>	<u>Total</u>
Endowment net assets, beginning of year	\$ -0-	\$ 10,000	\$ 10,000
Contributions	-0-	-0-	-0-
Investment income	-0-	-0-	-0-
Appropriation of endowment assets for expenditure	-0-	-0-	-0-
Endowment net assets, end of year	<u>\$ -0-</u>	<u>\$ 10,000</u>	<u>\$ 10,000</u>

**Endowment Net Asset Composition by Type of Fund as of December 31, 2010:**

	<u>Temporarily Restricted</u>	<u>Permanently Restricted</u>	<u>Total</u>
Donor restricted endowment funds	<u>\$ -0-</u>	<u>\$ 10,000</u>	<u>\$ 10,000</u>

**Changes in Endowment Net Assets for the Year Ended December 31, 2010:**

	<u>Temporarily Restricted</u>	<u>Permanently Restricted</u>	<u>Total</u>
Endowment net assets, beginning of year	\$ -0-	\$ 10,000	\$ 10,000
Contributions	-0-	-0-	-0-
Investment income	-0-	-0-	-0-
Appropriation of endowment assets for expenditure	-0-	-0-	-0-
Endowment net assets, end of year	<u>\$ -0-</u>	<u>\$ 10,000</u>	<u>\$ 10,000</u>

# THE KING'S DAUGHTERS' HOSPITAL AND HEALTH SERVICES AND AFFILIATED ORGANIZATION

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS DECEMBER 31, 2011 AND 2010

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Permanently restricted net assets	<u>2011</u>	<u>2010</u>
 The portion of perpetual endowment funds that is required to be retained permanently either by explicit donor stipulation or UPMIFA	 <u>\$ 10,000</u>	 <u>\$ 10,000</u>

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### 9. NET PATIENT SERVICE REVENUE

The Hospital has agreements with third-party payors that provide for payments to the Hospital at amounts different from its established rates. A summary of the payment arrangements with major third-party payors follows:

- **Medicare.** The Hospital is a provider of services to patients entitled to coverage under Title XVIII (Medicare) of the Health Insurance Act. The Hospital is reimbursed for Medicare inpatient services based on a fixed price per discharge for each diagnosis related grouping (DRG) and Medicare outpatient services based on a fixed price per clinical unit of service. Differences between the total program billed charges and the payments received are reflected as deductions from revenue. At the Hospital's year end, a cost report is filed with the Medicare program computing reimbursement amounts related to Medicare patients. The difference between computed reimbursement and interim reimbursement is reflected as a receivable from or payable to the third-party program. The Hospital's classification of patients under the Medicare program and the appropriateness of their admission are subject to an independent review by a peer review organization under contract with the Hospital. As of December 31, 2011, the Hospital's submitted Medicare cost reports have been final settled with the Fiscal Intermediary through December 31, 2006.
- **Medicaid.** The Hospital is a provider of services to patients entitled to coverage under Title XIX (Medicaid) of the Health Insurance Act. The Hospital is reimbursed for Medicaid inpatient services based on a fixed price per discharge for each diagnosis related grouping (DRG) and Medicaid outpatient services based on a fixed price per clinical unit of service. Differences between the total program billed charges and the payments received are reflected as deductions from revenue. There is no cost settlement for either of the inpatient or outpatient programs.

Laws and regulations governing the Medicare and Medicaid programs are extremely complex and subject to interpretation. As a result, there is at least a reasonable possibility that recorded estimates will change by a material amount in the near term. Final determination of compliance of such laws and regulations is subject to future government review and interpretation. Violations may result in significant regulatory action including fines, penalties, and exclusions from the Medicare and Medicaid programs. The Hospital believes that it is in compliance with all applicable laws and regulations.

# **THE KING'S DAUGHTERS' HOSPITAL AND HEALTH SERVICES AND AFFILIATED ORGANIZATION**

## **NOTES TO CONSOLIDATED FINANCIAL STATEMENTS DECEMBER 31, 2011 AND 2010**

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The Hospital has also entered into preferred provider agreements with certain commercial insurance carriers. Payment arrangements to the Hospital under these agreements include discounted charges and fee schedule payments.

### **10. CHARITY CARE**

The Hospital provides care without charge or at amounts less than its established rates to patients who meet certain criteria under its charity care policy. Because the Hospital does not collect amounts deemed to be charity care, they are not reported as revenue.

The estimated costs of providing charity services are based on a calculation which applies a ratio of costs to charges to the gross uncompensated charges associated with providing care to charity patients. The ratio of cost to charges is calculated based on the Hospital's total operating expenses (less bad debt expense) divided by gross patient service revenue. For the years ended December 31, 2011 and 2010, the Hospital incurred estimated costs of \$1,261,085 and \$1,329,452, respectively, from providing services to charity patients.

### **11. PENSION PLAN**

The Hospital sponsors a defined contribution pension plan that covers all eligible employees who work over 1,000 hours a year. Physicians are eligible for enrollment immediately after their hire date. Prior to February 1, 2010, all other employees must have completed one year of employment and be 21 years of age. Beginning February 1, 2010, all employees are eligible for enrollment on the first day of the month following their hire date. The Hospital contributes 2 percent for each eligible employee. The employee may contribute up to 15 percent with a maximum of 6 percent being matched at a rate of 50 percent. For the years ended December 31, 2011 and 2010, the amount of pension expense was \$2,201,651 and \$2,951,337, respectively.

### **12. DEFERRED COMPENSATION AGREEMENTS**

Previously, the Hospital maintained an informal deferred compensation plan whereby amounts were withdrawn from participating physicians' pay and held by the Hospital until such time that the participating physicians retired. The Hospital no longer offers this plan, but still records a liability for any amounts which were unpaid at year-end. The deferred compensation asset and liability amounts under this agreement were both \$119,997 and \$149,539 at December 31, 2011 and 2010, respectively.

# THE KING'S DAUGHTERS' HOSPITAL AND HEALTH SERVICES AND AFFILIATED ORGANIZATION

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS DECEMBER 31, 2011 AND 2010

The Hospital funds an executive deferred compensation plan. The plan accumulates cash value over time. The Hospital records an asset and liability amount equal to the market value of the deferred compensation plan. The deferred compensation asset and liability amounts under this agreement were both \$774,986 and \$596,141 at December 31, 2011 and 2010, respectively.

Previously, the Hospital maintained a deferred compensation plan for a select group of key management employees. Under the terms of the plan, the Hospital contributed 4 percent of a participant's compensation, as defined in the agreement, each calendar quarter. The Hospital no longer offers this plan, but still records a liability for any amounts that were unpaid at year-end. The deferred compensation asset and liability amounts under this agreement were both \$98,371 and \$106,003 at December 31, 2011 and 2010, respectively.

### 13. PROFESSIONAL LIABILITY INSURANCE

The Indiana Medical Malpractice Act (the "Act"), IC 34-18, provides a maximum recovery of \$250,000 for an occurrence of malpractice and \$1,250,000 for an injury or death of a patient due to an act of malpractice. The Act requires physicians to maintain medical malpractice liability insurance in the minimum amount of \$250,000 per occurrence and \$750,000 in the annual aggregate and hospitals to maintain medical malpractice liability insurance in the minimum amount of \$250,000 per occurrence and \$5,000,000 for hospitals with less than 100 occupied beds. The Hospital's insurance policies conform to the Act. The Act also requires the Hospital to pay a surcharge to the State Patient's Compensation Fund. This fund may be used to pay medical malpractice claims in excess of the annual aggregate amount noted above, under certain terms and conditions.

The Hospital maintains professional liability insurance through a multiprovider reciprocal risk retention group (the "Group"), in which premiums are accrued based on the Group's experience to date. This provides protection from liability in amounts not to exceed as follows:

	<u>2011</u>	<u>2010</u>
Hospital per occurrence	<u>\$ 250,000</u>	<u>\$ 250,000</u>
Hospital aggregate	<u>\$ 5,000,000</u>	<u>\$ 5,000,000</u>
Group umbrella aggregate	\$ 10,000,000	\$ 10,000,000
Group first additional umbrella aggregate	10,000,000	10,000,000
Group second additional umbrella aggregate	<u>10,000,000</u>	<u>10,000,000</u>
Total Group umbrella aggregate	<u>\$ 30,000,000</u>	<u>\$ 30,000,000</u>

# THE KING'S DAUGHTERS' HOSPITAL AND HEALTH SERVICES AND AFFILIATED ORGANIZATION

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS DECEMBER 31, 2011 AND 2010

Liabilities for incurred but not reported losses at December 31, 2011 and 2010 are not determinable; however, in management's opinion, such liabilities, if any, will not have a material effect on the Hospital's financial position and its malpractice and general liability insurance is adequate to cover losses, if any. Should the policies not be renewed or replaced with appropriate insurance coverage, claims based upon occurrences during these terms, but reported subsequently, will be uninsured. The Hospital intends to continue carrying such insurance.

### 14. OPERATING LEASES

The Hospital leases certain equipment under noncancelable operating leases expiring in various years through 2014. Minimum future rental payments under these noncancelable operating leases as of December 31, 2011, are as follows:

<u>Year Ending December 31,</u>	<u>Amount</u>
2012	\$ 158,361
2013	39,578
2014	<u>22,355</u>
Total minimum lease payments	<u>\$ 220,294</u>

The Hospital incurred \$513,682 and \$463,502 in total rent expense for the years ended December 31, 2011 and 2010, respectively, under both cancelable and noncancelable leases.

### 15. CONCENTRATIONS OF CREDIT RISK

The Hospital grants credit without collateral to its patients, most of whom are local residents and insured under third-party payor agreements. The mix of gross revenues and receivables from patients and third-party payors at December 31, 2011 and 2010, was as follows:

	<u>2011</u>		<u>2010</u>	
	<u>Revenue</u>	<u>Receivables</u>	<u>Revenue</u>	<u>Receivables</u>
Medicare	46 %	38 %	46 %	35 %
Medicaid	14	10	13	11
Blue Cross	15	10	14	10
Other Commercial	19	19	21	21
Self-Pay	<u>6</u>	<u>23</u>	<u>6</u>	<u>23</u>
	<u>100 %</u>	<u>100 %</u>	<u>100 %</u>	<u>100 %</u>

# **THE KING'S DAUGHTERS' HOSPITAL AND HEALTH SERVICES AND AFFILIATED ORGANIZATION**

## **NOTES TO CONSOLIDATED FINANCIAL STATEMENTS DECEMBER 31, 2011 AND 2010**

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The Hospital maintains its cash in bank deposit accounts, which at times, may exceed federally insured limits. The Hospital has not experienced any losses on such accounts. The Hospital believes it is not exposed to any significant credit risk on cash.

### **16. FUNCTIONAL EXPENSES**

The Hospital provides general healthcare services to residents within its geographic area. Expenses related to providing these services are broken down as follows for the years ended December 31, 2011 and 2010:

	<u>2011</u>	<u>2010</u>
Healthcare services	\$ 95,240,925	\$ 96,206,158
General and administrative	<u>11,569,263</u>	<u>11,248,145</u>
	<u>\$106,810,188</u>	<u>\$107,454,303</u>

### **17. FAIR VALUE OF FINANCIAL INSTRUMENTS**

The following methods and assumptions were used by the Hospital in estimating the fair value of its financial instruments:

#### **Cash and Cash Equivalents**

The carrying amount reported in the consolidated balance sheets for cash and cash equivalents approximates its fair value based on short term maturities of those items.

#### **Assets Whose Use is Limited**

These assets are reported in the consolidated balance sheets at fair value. The fair value amounts are based on quoted market prices, if available, or are estimated using quoted market prices for similar securities.

#### **Accounts Payable, Accrued Payroll and Payroll Withholdings, and Accrued Expenses**

The carrying amounts reported in the consolidated balance sheets for accounts payable, accrued payroll and payroll withholdings, and accrued expenses approximate their fair value based upon short maturities of those items.

# **THE KING'S DAUGHTERS' HOSPITAL AND HEALTH SERVICES AND AFFILIATED ORGANIZATION**

## **NOTES TO CONSOLIDATED FINANCIAL STATEMENTS DECEMBER 31, 2011 AND 2010**

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### **Estimated Third-Party Payor Settlements**

The carrying amount reported in the consolidated balance sheets for estimated third-party payor settlements approximates its fair value because they are expected to be settled in the near future.

### **Long-Term Debt and Obligations Under Capital Leases**

The carrying amount and fair value reported in the consolidated balance sheets for the combined amounts of long-term debt and obligations under capital leases were based on incremental borrowing rates available to similar entities with similar credit ratings. The combined amounts of long-term debt and obligations under capital leases were \$98,789,984 and \$99,398,841, respectively, for 2011 and \$98,962,344 and \$98,419,161, respectively, for 2010.

### **Deferred Compensation Liabilities**

The carrying amount reported in the consolidated balance sheets for deferred compensation liabilities approximates its fair value based on quoted market prices, if available, or are estimated using quoted market prices for similar securities and the cash surrender value of the Hospital's insurance policies.

## **18. CONTINGENCIES**

There are a variety of legal proceedings and claims by others against the Hospital in a variety of matters arising out of the conduct of the Hospital's business. The ultimate resolution of such claims would not, in the opinion of management, have a material adverse effect on the consolidated financial statements.

## **19. COMMITMENTS**

As of December 31, 2011, the Hospital has construction and renovation project commitments as follows:

<u>Project</u>	<u>Expected Date of Completion</u>	<u>Estimated Total Cost of Project</u>	<u>Costs Incurred as of December 31, 2011</u>
Hilltop MOB/Hospital	2013	\$ 100,000,000	\$ 38,359,781
Meditech EHR Migration	2012	10,000,000	6,885,302
All others	Various	65,000	61,025
			<u>\$ 45,306,108</u>

# Application for Extension of Time To File an Exempt Organization Return

OMB No. 1545-1709

► **File a separate application for each return.**

- If you are filing for an **Automatic 3-Month Extension**, complete only **Part I** and check this box ☒
- If you are filing for an **Additional (Not Automatic) 3-Month Extension**, complete only **Part II** (on page 2 of this form).

*Do not complete Part II unless you have already been granted an automatic 3-month extension on a previously filed Form 8868.*

**Electronic filing (e-file).** You can electronically file Form 8868 if you need a 3-month automatic extension of time to file (6 months for a corporation required to file Form 990-T), or an additional (not automatic) 3-month extension of time. You can electronically file Form 8868 to request an extension of time to file any of the forms listed in Part I or Part II with the exception of Form 8870, Information Return for Transfers Associated With Certain Personal Benefit Contracts, which must be sent to the IRS in paper format (see instructions). For more details on the electronic filing of this form, visit [www.irs.gov/efile](http://www.irs.gov/efile) and click on *e-file for Charities & Nonprofits*.

## **Part I Automatic 3-Month Extension of Time.** Only submit original (no copies needed).

A corporation required to file Form 990-T and requesting an automatic 6-month extension - check this box and complete

Part I only ☐

*All other corporations (including 1120-C filers), partnerships, REMICs, and trusts must use Form 7004 to request an extension of time to file income tax returns.*

Type or print  File by the due date for filing your return. See instructions.	Name of exempt organization or other filer, see instructions. <b>THE BETHANY CIRCLE OF KING'S DAUGHTERS' OF MADISON, INDIANA, INC.</b>	Employer identification number (EIN) or <input checked="" type="checkbox"/> <b>35-0895832</b>
	Number, street, and room or suite no. If a P.O. box, see instructions. <b>ONE KING'S DAUGHTERS' DRIVE</b>	Social security number (SSN) <input type="checkbox"/>
	City, town or post office, state, and ZIP code. For a foreign address, see instructions. <b>MADISON, IN 47250</b>	

Enter the Return code for the return that this application is for (file a separate application for each return)

**01**

Application Is For	Return Code	Application Is For	Return Code
Form 990	01	Form 990-T (corporation)	07
Form 990-BL	02	Form 1041-A	08
Form 990-EZ	01	Form 4720	09
Form 990-PF	04	Form 5227	10
Form 990-T (sec. 401(a) or 408(a) trust)	05	Form 6069	11
Form 990-T (trust other than above)	06	Form 8870	12

**DAWN NUNAN, DIRECTOR OF ACCOUNTING**

- The books are in the care of ► **ONE KING'S DAUGHTERS' DRIVE - MADISON, IN 47250**

Telephone No. ► **(812) 265-0193**

FAX No. ►

- If the organization does not have an office or place of business in the United States, check this box ☐
- If this is for a Group Return, enter the organization's four digit Group Exemption Number (GEN) \_\_\_\_\_ If this is for the whole group, check this box ☐. If it is for part of the group, check this box ☐ and attach a list with the names and EINs of all members the extension is for.

- 1 I request an automatic 3-month (6 months for a corporation required to file Form 990-T) extension of time until **AUGUST 15, 2012**, to file the exempt organization return for the organization named above. The extension is for the organization's return for:  
► ☒ calendar year **2011** or  
► ☐ tax year beginning \_\_\_\_\_, and ending \_\_\_\_\_

- 2 If the tax year entered in line 1 is for less than 12 months, check reason: ☐ Initial return ☐ Final return  
☐ Change in accounting period

<b>3a</b> If this application is for Form 990-BL, 990-PF, 990-T, 4720, or 6069, enter the tentative tax, less any nonrefundable credits. See instructions.	<b>3a</b>	\$	<b>0.</b>
<b>b</b> If this application is for Form 990-PF, 990-T, 4720, or 6069, enter any refundable credits and estimated tax payments made. Include any prior year overpayment allowed as a credit.	<b>3b</b>	\$	<b>0.</b>
<b>c</b> <b>Balance due.</b> Subtract line 3b from line 3a. Include your payment with this form, if required, by using EFTPS (Electronic Federal Tax Payment System). See instructions.	<b>3c</b>	\$	<b>0.</b>

**Caution.** If you are going to make an electronic fund withdrawal with this Form 8868, see Form 8453-EO and Form 8879-EO for payment instructions.

LHA For Privacy Act and Paperwork Reduction Act Notice, see Instructions.

Form **8868** (Rev. 1-2012)



- If you are filing for an **Additional (Not Automatic) 3-Month Extension**, complete only **Part II** and check this box ☒

**Note.** Only complete Part II if you have already been granted an automatic 3-month extension on a previously filed Form 8868.

- If you are filing for an **Automatic 3-Month Extension**, complete only **Part I** (on page 1).

**Part II** **Additional (Not Automatic) 3-Month Extension of Time.** Only file the original (no copies needed).

Type or print	Name of exempt organization or other filer, see instructions	Employer identification number (EIN) or
File by the due date for filing your return. See instructions.	<b>THE KING'S DAUGHTERS' HOSPITAL AND HEALTH SERVICES</b>	<input checked="" type="checkbox"/> <b>35-0895832</b>
	Number, street, and room or suite no. If a P.O. box, see instructions.	Social security number (SSN)
	<b>ONE KING'S DAUGHTERS' DRIVE</b>	<input type="checkbox"/>
	City, town or post office, state, and ZIP code. For a foreign address, see instructions.	
	<b>MADISON, IN 47250</b>	

Enter the Return code for the return that this application is for (file a separate application for each return)

**01**

Application Is For	Return Code	Application Is For	Return Code
Form 990	01		
Form 990-BL	02	Form 1041-A	08
Form 990-EZ	01	Form 4720	09
Form 990-PF	04	Form 5227	10
Form 990-T (sec. 401(a) or 408(a) trust)	05	Form 6069	11
Form 990-T (trust other than above)	06	Form 8870	12

**STOP! Do not complete Part II if you were not already granted an automatic 3-month extension on a previously filed Form 8868.**

**DAWN NUNAN, DIRECTOR OF ACCOUNTING**

- The books are in the care of **▶ ONE KING'S DAUGHTERS' DRIVE - MADISON, IN 47250**

Telephone No. **▶ (812) 265-0193**

FAX No. **▶**

- If the organization does not have an office or place of business in the United States, check this box ☐

- If this is for a Group Return, enter the organization's four digit Group Exemption Number (GEN) **▶** ☐. If this is for the whole group, check this box ☐. If it is for part of the group, check this box ☐ and attach a list with the names and EINs of all members the extension is for.

**4** I request an additional 3-month extension of time until **NOVEMBER 15, 2012**

**5** For calendar year **2011**, or other tax year beginning **▶**, and ending **▶**

**6** If the tax year entered in line 5 is for less than 12 months, check reason: ☐ Initial return ☐ Final return ☐ Change in accounting period

**7** State in detail why you need the extension

**ADDITIONAL TIME IS NEEDED TO GATHER THE NECESSARY INFORMATION TO FILE A COMPLETE AND ACCURATE RETURN.**

<b>8a</b> If this application is for Form 990-BL, 990-PF, 990-T, 4720, or 6069, enter the tentative tax, less any nonrefundable credits. See instructions.	<b>8a</b>	\$	<b>0.</b>
<b>b</b> If this application is for Form 990-PF, 990-T, 4720, or 6069, enter any refundable credits and estimated tax payments made. Include any prior year overpayment allowed as a credit and any amount paid previously with Form 8868.	<b>8b</b>	\$	<b>0.</b>
<b>c</b> <b>Balance due.</b> Subtract line 8b from line 8a. Include your payment with this form, if required, by using EFTPS (Electronic Federal Tax Payment System). See instructions.	<b>8c</b>	\$	<b>0.</b>

**Signature and Verification must be completed for Part II only.**

Under penalties of perjury, I declare that I have examined this form, including accompanying schedules and statements, and to the best of my knowledge and belief, it is true, correct, and complete, and that I am authorized to prepare this form.

Signature **▶ Amber Kachel** Title **▶ CPA/AGENT**

Date **▶ 8.6.2012**

Form 8868 (Rev. 1-2012)